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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder Recovery Fund (the 'Fund') aims to provide capital growth in excess of the FTSE All Share (Gross Total Return) Index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies that have suffered a severe setback in either share price or profitability.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the investment manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE All Share (Gross Total Return) Index, and compared against the MSCI UK Value (Gross Total Return) Index and the Investment Association UK All Companies sector average return. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmarks have been selected because the Investment Manager and the Manager believe that each of these benchmarks is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Total purchases and sales

	For the period to 15.1.24 £000's	For the year to 15.7.23 £000's
Total purchases	48,325	197,002
Total sales	163,214	287,495

Fund Performance

	Number of units in issue 15.1.24	Net asset value per unit 15.1.24	Net asset value per unit 15.7.23
A Accumulation units	70,377	26,219.13p	25,175.00p
A Income units	8,734	13,261.63p	12,783.40p
L Accumulation units	363,505,952	89.61p	85.75p
L Income units	232,841,508	68.79p	65.82p
S Income units	3,391,127	62.10p	59.30p
Z Accumulation units	209,783,342	141.43p	135.27p
Z Income units	57,530,394	104.06p	99.52p

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Review of Investment Activities

From 14 July 2023 to 15 January 2024, the price of Z Accumulation units on a dealing price basis rose 4.35%. In comparison, the FTSE¹ All Share Index generated a total return of 4.15%².

UK equities rose over the period and the fund outperformed the FTSE All-Share index.

Top contributors included chipmaker Intel, which made good progress in the early stages of its multi-year turnaround plan and benefited from a positive inflection in the PC cycle. Construction group Kier Group also performed very well on news that its year-end net cash position had significantly improved and it would be resuming dividend payments in 2024. A number of our UK domestically focused holdings rebounded strongly too, including food and clothes retailer Marks & Spencer Group and housebuilders Taylor Wimpey and Bellway. On the negative side, detractors included provider of services to the global energy industry Petrofac and outsourcing specialist Capita, which reported a loss for the first half of the year. Capita aims to achieve significant cost savings and benefits from a much-improved balance sheet, thereby reducing risk. Chemicals business Synthomer, specialist lender Vanquis Banking Group and cycle to auto parts retailer Halfords Group also detracted.

We made the difficult decision to exit Petrofac as the balance sheet has come under more stress than we anticipated due to the increasing scrutiny that banks are under when providing financing for fossil fuel projects. We also sold our holding in education business Pearson. New positions included engineering group Morgan Advanced Materials as well as oil and gas exploration businesses DNO, Energean, Harbour Energy, International Petroleum and Var Energi.

We are confident that our focus on cheap stocks (within a cheap market) and minimising fundamental risks will be rewarded with significant outperformance. Counterintuitively, the pervading malaise towards UK equities gives us confidence that the risk/reward equation is favourable for patient long-term investors such as ourselves.

**Co-head of Schroder Global Value Team:
Kevin Murphy**



Co-manager of UK Income and UK Recovery strategies
Managed value portfolios at Schroders since 2006
Founding member of the Global Value Team in 2013
Investment career commenced in 2000 in Schroders' UK Equity fund management team
Previously sector analyst for Pan European Construction and Building Materials
CFA Charter Holder
Degree in Economics, Manchester University

**Fund Manager:
Andrew Lyddon**



Co-manager of Recovery, European Income and European Recovery strategies
Managed value portfolios at Schroders since 2010
Co-manager on UK Value institutional portfolios from 2010 to 2016
Founding member of the Global Value Team in 2013
Investment career commenced in October 2005, at Schroders as an Equity Analyst within the Pan-European research team
Previously sector analyst responsible for Telecoms, Construction and Support Services
CFA Charter Holder
MSc in Intellectual Property Law, Queen Mary College.
Degree in Chemistry, Bath University

¹ Source: Refinitiv Eikon Datastream.

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Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net revenue and the net capital gains on the property of the Fund for the period.

In preparing the accounts the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

P. Chislett

Directors

5 March 2024

J. Rainbow

Portfolio Statement

	Holding at 15.1.24	Market Value £000's	% of net assets		Holding at 15.1.24	Market Value £000's	% of net assets
Equities 96.87% (96.51%)				Lloyds Banking Group	48,270,973	21,155	2.45
Basic Materials 5.91% (6.49%)				M&G	9,834,514	21,872	2.53
Anglo American	632,632	11,543	1.34	NatWest Group	10,646,987	22,582	2.61
Ferrexpo	12,353,066	8,832	1.02	Standard Chartered	2,577,818	15,585	1.80
Rio Tinto	418,976	22,788	2.64	TP ICAP Group	7,744,919	14,406	1.67
Sibanye Stillwater	4,516,824	4,355	0.50	Vanquis Banking Group	6,181,304	7,566	0.87
Synthomer	2,613,030	3,590	0.41			175,707	20.33
		51,108	5.91	Health Care 3.38% (2.76%)			
Consumer Discretionary 18.88% (22.52%)				GSK	1,010,896	15,972	1.85
ASOS	2,042,565	7,864	0.91	Viatrix	1,437,446	13,187	1.53
Bellway	775,188	20,527	2.38			29,159	3.38
boohoo Group*	42,876,541	15,200	1.76	Industrials 16.83% (14.18%)			
Continental	387,091	24,477	2.83	Capita	74,841,952	14,968	1.73
Currys	22,700,146	10,742	1.24	De La Rue	12,425,108	10,462	1.21
Halfords Group	6,856,371	12,170	1.41	Firstgroup	8,863,992	15,317	1.77
ITV	25,308,885	15,352	1.78	International Distributions Services	8,037,471	20,222	2.34
Renault	563,223	16,753	1.94	Kier Group	15,984,683	18,191	2.10
Taylor Wimpey	14,762,598	21,347	2.47	Mitie Group	8,041,124	8,009	0.93
WPP	2,552,788	18,696	2.16	Morgan Advanced Materials	3,502,452	9,649	1.12
		163,128	18.88	Senior	7,699,845	13,198	1.53
Consumer Staples 10.17% (8.24%)				Travis Perkins	2,412,054	18,669	2.16
British American Tobacco	452,317	10,629	1.23	Vesuvius	3,478,952	16,790	1.94
C&C Group	11,039,292	16,912	1.96			145,475	16.83
Imperial Brands	669,726	12,732	1.47	Real Estate 4.69% (4.03%)			
J Sainsbury	5,689,820	16,375	1.90	Hammerson REIT	89,981,457	24,745	2.87
Marks & Spencer Group	6,541,946	17,003	1.97	Land Securities Group REIT	2,329,912	15,755	1.82
Tesco	4,729,801	14,213	1.64			40,500	4.69
		87,864	10.17	Technology 1.98% (1.95%)			
Energy 10.39% (11.20%)				Intel	462,401	17,102	1.98
BP	1,486,073	6,731	0.78			17,102	1.98
DNO	3,834,283	2,855	0.33	Telecommunications 4.31% (3.72%)			
Energiean	280,484	2,680	0.31	Airtel Africa	16,103,994	21,000	2.43
Eni	1,265,473	16,322	1.89	BT Group	13,984,836	16,264	1.88
Harbour Energy	1,201,108	3,561	0.41			37,264	4.31
Hunting	5,697,714	16,637	1.93	Equities total		837,116	96.87
International Petroleum	394,460	3,493	0.40	Corporate Bonds 1.01% (1.32%)			
John Wood Group	10,845,796	17,950	2.08	Energy 1.01% (1.32%)			
Shell	551,887	13,577	1.57	Petrofac 9.75%			
Var Energi	2,600,754	6,003	0.69	15/11/2026	20,865,000	8,726	1.01
		89,809	10.39			8,726	1.01
Financials 20.33% (21.42%)				Corporate Bonds total		8,726	1.01
Aviva	3,294,555	14,242	1.65	Portfolio of investments		845,842	97.88
Barclays	14,719,716	21,338	2.47	Net other assets		18,357	2.12
Direct Line Insurance Group	11,786,357	19,943	2.31	Net assets attributable to unitholders		864,199	100.00
HSBC Holdings	2,853,964	17,018	1.97				

The comparative percentage figures in brackets are as at 15 July 2023.

Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

Statement of Total Return (unaudited)

For the six months ended 15 January 2024

	15.1.24		15.1.23	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		26,345		115,511
Revenue	17,211		21,614	
Expenses	(3,932)		(4,552)	
Net revenue before taxation	13,279		17,062	
Taxation	(245)		(399)	
Net revenue after taxation		13,034		16,663
Total return before distributions		39,379		132,174
Distributions		(604)		(118)
Change in net assets attributable to unitholders from investment activities		38,775		132,056

Statement of Change in Net Assets Attributable to Unitholders (unaudited)

For the six months ended 15 January 2024

	15.1.24		15.1.23	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		954,521 [^]		1,004,409
Amounts receivable on issue of units	34,008		46,856	
Amounts payable on cancellation of units	(163,140)		(54,763)	
		(129,132)		(7,907)
Dilution adjustment		35		-
Change in net assets attributable to unitholders from investment activities		38,775		132,056
Closing net assets attributable to unitholders		864,199		1,128,558[^]

[^] The opening net assets attributable to unitholders for the current period do not equal the closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

Balance Sheet (unaudited)

As at 15 January 2024

	15.1.24	15.7.23
	£000's	£000's
Assets		
Investments	845,842	933,787
Current assets		
Debtors	2,523	3,240
Cash and bank balances	18,423	31,636
Total assets	866,788	968,663
Liabilities		
Creditors		
Distributions payable	-	(8,252)
Other creditors	(2,589)	(5,890)
Total liabilities	(2,589)	(14,142)
Net assets attributable to unitholders	864,199	954,521

Notes to the Accounts (unaudited)

Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)).

The Manager has undertaken a detailed assessment of the Fund's ability to meet its liabilities as they fall due, including liquidity, fluctuations in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months after the financial statements are signed and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

The accounting policies applied are consistent with those of the annual accounts for the year ended 15 July 2023 and are described in those annual accounts.

General Information

Manager

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Investment Adviser

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Trustee

J.P. Morgan Europe Limited
Chaseside
Bournemouth BH7 7DA
Authorised by the Prudential Regulation Authority and regulated
by the Financial Conduct Authority and Prudential Regulation Authority

Registrar

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority
The Manager is responsible for maintaining the register for each
Fund. It has delegated certain registrar functions to HSBC Bank Plc,
8 Canada Square, London, E14 8HQ.

Administration Details

Schroders Investor Services
PO BOX 1402
Sunderland
SR43 4AF

Independent Auditor

KPMG LLP
319 St Vincent Street
Glasgow G2 5AS

Authorisation

The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Value Assessment

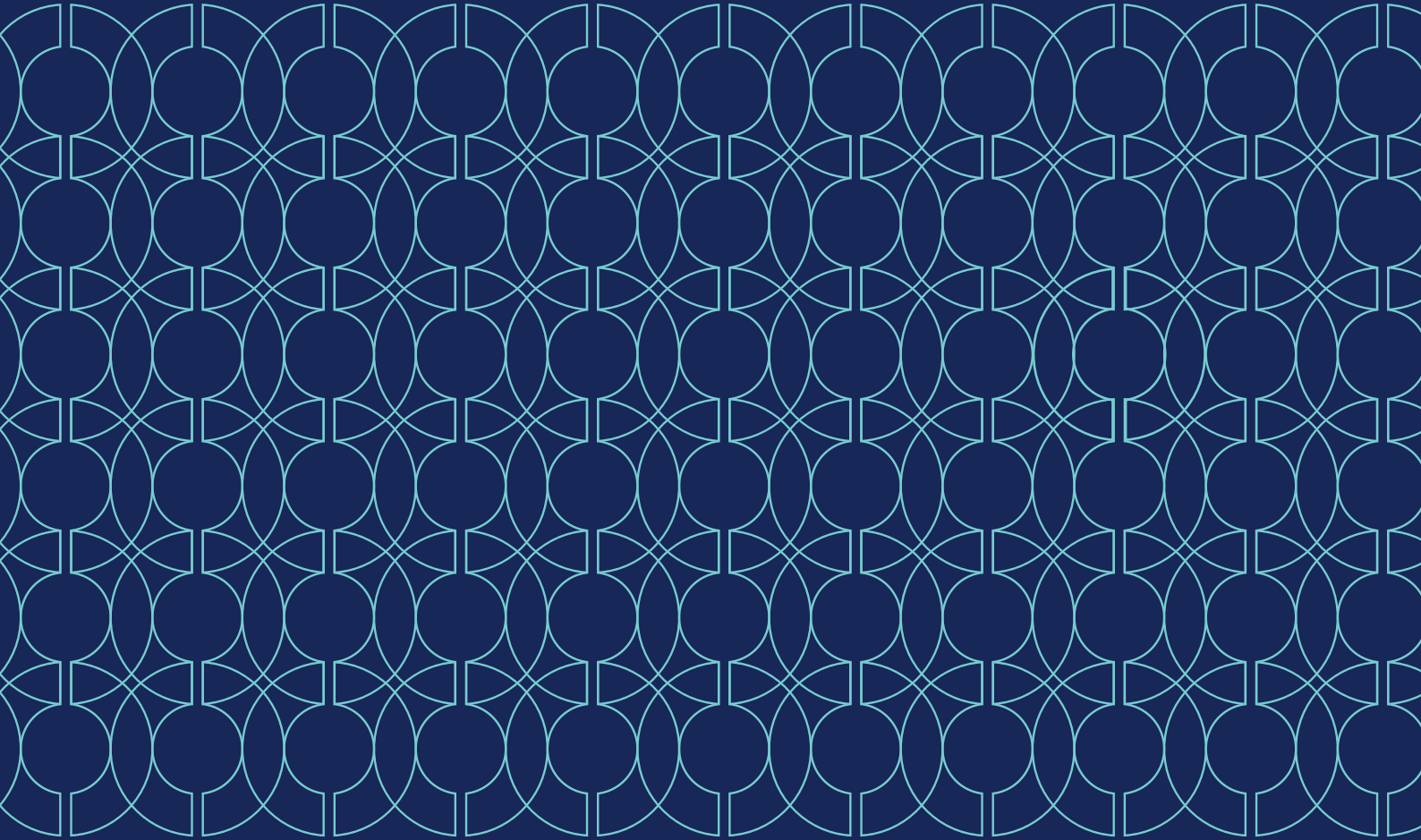
A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at www.Schroders.com within 4 months of the annual 'reference date' 31 December.

Task Force on Climate-Related Financial Disclosures

A statement on the climate related financial disclosures is published at www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/.

Other information

The Prospectus, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website www.schroders.com.



EST. 1804

For further literature please contact Schroder Investor Services on 0800 182 2399 or schrodersinvestor@HSBC.com for Retail Clients, or 0345 030 7277 or schrodersinstitutional@HSBC.com for Institutional Clients, or visit our website at www.schroders.com.

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