

**Schroders**

**Schroder Global Emerging Markets Fund  
Annual Report and Accounts  
31 March 2023**



## Contents

<b>Fund Information<sup>1</sup></b>	<b>3</b>
<b>Review of Investment Activities<sup>1</sup></b>	<b>4</b>
<b>Risk Profile<sup>1</sup></b>	<b>5</b>
<b>Statement of the Manager's Responsibilities</b>	<b>6</b>
<b>Report of the Trustee</b>	<b>7</b>
<b>Independent auditors' report to the Unitholders of Schroder Global Emerging Markets Fund</b>	<b>8</b>
<b>Comparative Table</b>	<b>10</b>
<b>Portfolio Statement<sup>1</sup></b>	<b>13</b>
<b>Financial Statements</b>	<b>16</b>
<b>Notes to the Accounts</b>	<b>17</b>
<b>Distribution Table</b>	<b>25</b>
<b>Remuneration</b>	<b>26</b>
<b>General Information<sup>1</sup></b>	<b>27</b>

<sup>1</sup> Collectively these comprise the Manager's report.

# Fund Information

## Investment objective and policy

Schroder Global Emerging Markets Fund (the 'Fund') aims to provide capital growth in excess of the MSCI Emerging Markets (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of emerging market companies worldwide.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of emerging market companies worldwide.

The Fund may also invest in companies headquartered or quoted on developed markets if those companies derive a significant proportion of their revenues or profits in emerging markets.

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 reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

## Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Emerging Markets (Net Total Return) index, and compared against the Investment Association Global Emerging Markets 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 benchmark has been selected because the Investment Manager and the Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**From 31 March 2022 to 31 March 2023, the price of A Accumulation units on a dealing price basis fell 6.41%<sup>1</sup>. In the same period, the MSCI Emerging Markets Index generated a negative net total return of 4.91%<sup>2</sup> in sterling terms.**

Emerging market (EM) equities generated a negative return over the 12 months against a backdrop of slowing global growth, heightened inflationary pressure, rising interest rates and the ongoing war in Ukraine. Although sentiment turned more positive towards the end of 2022 as optimism about China's relaxation of its zero Covid policy and anticipated economic recovery took hold, the end of the period saw US-China tensions re-escalate and a widespread loss of confidence in US and European banks, which weighed further on EM returns.

While the Fund underperformed the benchmark after fees, it outperformed on a gross basis with country allocation adding slightly to returns and stock selection the main driver. The overweight to Greece added to returns, as did cash held in a falling market. Conversely, our underweight to China, as well as our overweights to South Africa and Brazil detracted. Stock selection was positive in India, Brazil, Taiwan and Mexico. It was negative in China and Saudi Arabia.

Over the period we gradually reduced the magnitude of the underweight to China before moving to a small overweight in early 2023. We reduced Hungary and Poland over the summer before adding back as concerns about a European energy crisis abated. We also moderated the size of the overweights to Brazil and South Africa as global inflation proved persistent.

With the exception of India and some smaller markets, EM valuations at the market level remain reasonable, and EM yields and currencies in general are broadly at attractive levels. The US dollar continues to look expensive on a real effective exchange rate basis and we expect it to soften; a softer US dollar and a fall in the US 10-year bond yield would typically be supportive of EM currencies, yields, and financial conditions.

The path of developed market growth, monetary conditions and markets is important for EM. EM equities are not immune to US market weakness but in the absence of a severe recession, which is not currently forecast, could outperform. Geopolitical risks continue to bear monitoring, specifically the trajectory of US-China tensions and the conflict in Ukraine.

**Co-Fund Manager:**  
**Robert Davy**



Robert Davy is a Global Emerging Markets Fund Manager based in London

Robert became a Global Emerging Markets fund manager in 2000. He established Schroders' offices and businesses in Latin America during the 1990s, and was based in New York from 1992-4

Robert was a founding member of Schroders' Latin America team, becoming a Latin America fund manager in 1990. In 1988 he moved to become a fund manager on the US desk

Robert joined Schroders in November 1986, initially as an analyst on the UK equity team. His investment career commenced upon joining Peat Marwick in 1982. He qualified as a Chartered Accountant in 1986

Robert has a MA in History, Magdalene College, Cambridge University

**Co-Fund Manager:**  
**Thomas Wilson**



Thomas Wilson is the Head of Emerging Market Equities at Schroders. He joined Schroders in 2001 and is based in London

Thomas was a Global Emerging Markets portfolio manager at Schroders from 2014 to 2016, where he was one of the portfolio managers running the global emerging markets funds

He was Head of EMEA Equities at Schroders from 2007 to 2014, responsible for the EMEA desk and the Emerging Europe funds. He was an Equity Analyst at Schroders from 2001 to 2007, working on the Global Energy team before becoming an EMEA analyst. As an EMEA analyst, Thomas was responsible for Russia, Turkey, Hungary, Czech Republic and Poland from 2004-7

Thomas has a BA (Hons) in History, Newcastle University and is a CFA Charterholder

<sup>1</sup> The Fund and benchmark have different pricing points (intra-day versus closing price respectively) so there may be a performance timing effect at month end.

<sup>2</sup> Source: Refinitiv Eikon Datastream.

**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.**

# 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](http://www.schroders.com).

# Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Fund and of its net revenue and the net capital losses on the property of the Fund for the year. In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now the Investment Association) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements;
- make judgements and estimates that are prudent and reasonable.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the Collective Investment Schemes sourcebook, and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the year ended 31 March 2023 were signed on 12 July 2023 on behalf of the Manager by:

**S. Reedy**  
Directors

**P. Truscott**

# Report of the Trustee

## **Statement of the Trustee's responsibilities in respect of the Scheme and report of the Trustee to the unitholders of Schroder Global Emerging Markets Fund ('the Fund') for the year ended 31 March 2023.**

The Trustee of the Schroder Global Emerging Markets Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the regulations;
- the value of units of the Fund are calculated in accordance with the regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the regulations; and
- the instructions of the Authorised Fund Manager ('the Manager'), which is the UCITS Management Company, are carried out (unless they conflict with the regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the regulations and the Scheme documents of the Fund.

## **J.P. Morgan Europe Limited**

Trustee  
Bournemouth  
24 April 2023

# Independent auditors' report to the Unitholders of Schroder Global Emerging Markets Fund

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Schroder Global Emerging Markets Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 March 2023 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Table; and the Notes to the Accounts, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Fund's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

### Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Responsibilities for the financial statements and the audit

### Responsibilities of the Manager for the financial statements

As explained more fully in the Statement of the Manager's Responsibilities, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for 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.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.



# Independent auditors' report to the Unitholders of Schroder Global Emerging Markets Fund (continued)

Based on our understanding of the Fund and its industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Fund. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

## Use of this report

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

### Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.
- We have no exceptions to report arising from this responsibility.

## PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

12 July 2023

# Comparative Table

## A Accumulation units

## A Income units

Financial year to 31 March	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	239.06	270.46	182.57	214.35	243.58	164.82
Return before operating charges*	(10.24)	(26.84)	91.97	(9.19)	(24.17)	82.92
Operating charges	(3.93)	(4.56)	(4.08)	(3.51)	(4.10)	(3.62)
<b>Return after operating charges*</b>	<b>(14.17)</b>	<b>(31.40)</b>	<b>87.89</b>	<b>(12.70)</b>	<b>(28.27)</b>	<b>79.30</b>
Distributions**	(2.33)	(1.07)	(0.61)	(2.09)	(0.96)	(0.54)
Retained distributions**	2.33	1.07	0.61	-	-	-
<b>Closing net asset value</b>	<b>224.89</b>	<b>239.06</b>	<b>270.46</b>	<b>199.56</b>	<b>214.35</b>	<b>243.58</b>
*after direct transaction costs of	(0.25)	(0.21)	(0.24)	(0.22)	(0.19)	(0.21)
<b>Performance</b>						
Return after charges (%)	(5.93)	(11.61)	48.14	(5.92)	(11.61)	48.11
<b>Other information</b>						
Closing net asset value (£000's)	360,796	455,260	607,064	65,614	70,799	80,691
Closing number of units	160,435,214	190,435,320	224,457,995	32,879,827	33,030,338	33,127,624
Operating charges (%)	1.73	1.74	1.72	1.73	1.74	1.72
Direct transaction costs (%)***	0.11	0.08	0.10	0.11	0.08	0.10
<b>Prices</b>						
Highest dealing price	244.10p	279.50p	294.53p	218.90p	251.70p	265.84p
Lowest dealing price	203.70p	216.80p	178.12p	182.60p	195.20p	160.77p

# Comparative Table (continued)

Financial year to 31 March	S Income units			Z Accumulation units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	90.09	102.47	69.28	102.08	114.62	76.79
Return before operating charges*	(3.85)	(10.24)	34.98	(4.38)	(11.44)	38.80
Operating charges	(0.50)	(0.59)	(0.53)	(0.95)	(1.10)	(0.97)
<b>Return after operating charges*</b>	<b>(4.35)</b>	<b>(10.83)</b>	<b>34.45</b>	<b>(5.33)</b>	<b>(12.54)</b>	<b>37.83</b>
Distributions**	(1.87)	(1.55)	(1.26)	(1.72)	(1.29)	(1.02)
Retained distributions**	-	-	-	1.72	1.29	1.02
<b>Closing net asset value</b>	<b>83.87</b>	<b>90.09</b>	<b>102.47</b>	<b>96.75</b>	<b>102.08</b>	<b>114.62</b>
*after direct transaction costs of	(0.09)	(0.08)	(0.09)	(0.11)	(0.09)	(0.10)
<b>Performance</b>						
Return after charges (%)	(4.83)	(10.57)	49.73	(5.22)	(10.94)	49.26
<b>Other information</b>						
Closing net asset value (£000's)	17,557	17,629	25,324	107,000	133,942	152,365
Closing number of units	20,933,268	19,568,944	24,714,290	110,597,484	131,217,178	132,933,478
Operating charges (%)	0.58	0.59	0.57	0.98	0.99	0.97
Direct transaction costs (%)***	0.11	0.08	0.10	0.11	0.08	0.10
<b>Prices</b>						
Highest dealing price	92.26p	106.20p	112.81p	104.20p	118.70p	124.71p
Lowest dealing price	77.27p	83.05p	67.55p	87.34p	92.52p	74.92p

# Comparative Table (continued)

Financial year to 31 March	Z Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit
<b>Change in net asset value</b>			
Opening net asset value	89.73	102.03	69.00
Return before operating charges*	(3.83)	(10.17)	34.82
Operating charges	(0.84)	(0.98)	(0.88)
<b>Return after operating charges*</b>	<b>(4.67)</b>	<b>(11.15)</b>	<b>33.94</b>
Distributions**	(1.52)	(1.15)	(0.91)
<b>Closing net asset value</b>	<b>83.54</b>	<b>89.73</b>	<b>102.03</b>
*after direct transaction costs of	(0.09)	(0.08)	(0.09)
<b>Performance</b>			
Return after charges (%)	(5.20)	(10.93)	49.19
<b>Other information</b>			
Closing net asset value (£000's)	72,404	73,467	75,795
Closing number of units	86,671,177	81,875,818	74,286,700
Operating charges (%)	0.98	0.99	0.97
Direct transaction costs (%)***	0.11	0.08	0.10
<b>Prices</b>			
Highest dealing price	91.64p	105.60p	112.01p
Lowest dealing price	76.79p	82.37p	67.29p

\*\* These figures have been rounded to 2 decimal places.

\*\*\* Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Annual Management Charge, Registrar fees, Safe custody fees, Trustee's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are units of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit [www.schroders.com](http://www.schroders.com).

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# Portfolio Statement

	Holding at 31.3.23	Market Value £000's	% of net assets
<b>Equities 97.96% (95.20%)</b>			
<b>Bermuda 0.88% (0.68%)</b>			
Credicorp	51,180	5,468	0.88
		<b>5,468</b>	<b>0.88</b>
<b>Brazil 7.26% (9.66%)</b>			
Banco Bradesco Preference	2,405,068	5,056	0.81
CCR	751,174	1,500	0.24
Embraer	469,001	1,562	0.25
Energisa	222,297	1,430	0.23
Gerdau Preference	305,021	1,243	0.20
Itau Unibanco Holding ADR Preference	1,969,060	7,740	1.24
Localiza Rent a Car	85,224	735	0.12
Localiza Rent a Car Rights 11/05/2023^	59	0	0.00
Lojas Renner	605,900	1,605	0.26
Petro Rio	459,058	2,312	0.37
Petroleo Brasileiro ADR	242,920	2,065	0.33
Raia Drogasil	1,156,013	4,586	0.74
Rede D'Or Sao Luiz	316,683	1,075	0.17
TIM	759,744	1,535	0.25
Vale ADR	775,140	9,943	1.59
WEG	435,723	2,841	0.46
		<b>45,228</b>	<b>7.26</b>
<b>Cayman Islands 17.77% (16.74%)</b>			
Alibaba Group Holding	2,288,536	23,649	3.79
Baidu A	125,170	1,916	0.31
Chailease Holding	270,000	1,599	0.26
China Mengniu Dairy	2,032,000	6,731	1.08
China Resources Land	822,000	3,032	0.49
ENN Energy Holdings	454,100	5,011	0.80
H World Group ADR	159,888	6,318	1.01
Innovent Biologics	795,500	2,881	0.46
JD.com A	430,434	7,628	1.22
Meituan B	297,820	4,400	0.71
PDD Holdings ADR	41,273	2,527	0.41
Shenzhou International Group Holdings	477,400	4,053	0.65
Tencent Holdings	904,300	35,945	5.77
Wuxi Biologics Cayman	541,000	2,706	0.43
XP A	90,310	867	0.14
ZTO Express Cayman ADR	65,159	1,516	0.24
		<b>110,779</b>	<b>17.77</b>
<b>Chile 0.90% (0.86%)</b>			
Banco de Chile	23,306,128	1,836	0.29
Banco Santander Chile ADR	165,453	2,378	0.38
Falabella	127,085	238	0.04

	Holding at 31.3.23	Market Value £000's	% of net assets
Sociedad Quimica y Minera de Chile ADR	17,565	1,152	0.19
		<b>5,604</b>	<b>0.90</b>
<b>China 11.56% (6.60%)</b>			
Centre Testing International Group A	1,429,600	3,447	0.55
China Merchants Bank H	1,557,500	6,435	1.03
China Pacific Insurance Group H	2,566,600	5,513	0.88
Contemporary Amperex Technology A	106,400	5,085	0.82
Hengli Petrochemical A	1,043,200	1,989	0.32
LONGi Green Energy Technology A	1,455,780	6,924	1.11
Midea Group A	1,696,900	10,747	1.72
NARI Technology A	1,085,800	3,463	0.56
PICC Property & Casualty H	3,332,000	2,750	0.44
Satellite Chemical A	2,475,246	4,661	0.75
SF Holding A	924,900	6,026	0.97
Shenzhen Inovance Technology A	733,000	6,065	0.97
Sieyuan Electric A	464,300	2,498	0.40
Wuliangye Yibin A	192,800	4,470	0.72
Zhejiang Supor A	315,200	2,009	0.32
		<b>72,082</b>	<b>11.56</b>
<b>Egypt 0.01% (0.24%)</b>			
Commercial International Bank Egypt GDR	86,987	91	0.01
		<b>91</b>	<b>0.01</b>
<b>Greece 1.13% (1.01%)</b>			
Alpha Services and Holdings	1,087,062	1,074	0.17
Eurobank Ergasias Services and Holdings	2,100,353	2,248	0.36
Hellenic Tele- communications Organization	138,362	1,638	0.27
National Bank of Greece	526,712	2,067	0.33
		<b>7,027</b>	<b>1.13</b>
<b>Hong Kong 2.46% (2.28%)</b>			
AIA Group	1,441,400	12,266	1.97
Hang Lung Properties	2,045,000	3,093	0.49
		<b>15,359</b>	<b>2.46</b>
<b>Hungary 0.67% (1.08%)</b>			
OTP Bank	77,096	1,770	0.28
Richter Gedeon	141,471	2,402	0.39
		<b>4,172</b>	<b>0.67</b>
<b>India 8.59% (8.59%)</b>			
Axis Bank	602,385	5,086	0.82
Bharti Airtel	756,015	5,580	0.89
Cipla	83,610	740	0.12
HDFC Bank	881,931	13,965	2.24

# Portfolio Statement (continued)

	Holding at 31.3.23	Market Value £000's	% of net assets
ICICI Bank	1,308,289	11,292	1.81
Mahindra & Mahindra	176,701	2,012	0.32
Reliance Industries	268,337	6,152	0.99
Tata Consultancy Services	276,537	8,718	1.40
		<b>53,545</b>	<b>8.59</b>
<b>Indonesia 1.57% (1.42%)</b>			
Bank Mandiri Persero	4,410,600	2,456	0.39
Bank Negara Indonesia Persero	3,213,800	1,617	0.26
Bank Rakyat Indonesia Persero	16,505,741	4,211	0.68
Telkom Indonesia Persero	6,918,300	1,515	0.24
		<b>9,799</b>	<b>1.57</b>
<b>Luxembourg 0.26% (0.00%)</b>			
Globant	12,431	1,645	0.26
		<b>1,645</b>	<b>0.26</b>
<b>Malaysia 0.45% (0.38%)</b>			
CIMB Group Holdings	2,911,184	2,828	0.45
		<b>2,828</b>	<b>0.45</b>
<b>Mexico 2.76% (2.51%)</b>			
Cemex ADR	365,730	1,621	0.26
Fomento Economico Mexicano ADR	125,929	9,687	1.55
Grupo Financiero Banorte O	871,021	5,893	0.95
		<b>17,201</b>	<b>2.76</b>
<b>Netherlands 0.21% (0.00%)</b>			
Pepco Group	171,341	1,334	0.21
Yandex A <sup>^</sup>	125,734	0	0.00
		<b>1,334</b>	<b>0.21</b>
<b>Poland 1.09% (1.27%)</b>			
Bank Polska Kasa Opieki	154,110	2,472	0.40
Powszechna Kasa Oszczednosci Bank Polski	313,610	1,679	0.27
Powszechny Zaklad Ubezpieczen	401,280	2,643	0.42
		<b>6,794</b>	<b>1.09</b>
<b>Qatar 0.52% (0.60%)</b>			
Qatar National Bank	901,617	3,219	0.52
		<b>3,219</b>	<b>0.52</b>
<b>Russia 0.00% (0.00%)</b>			
LUKOIL <sup>^</sup>	61,389	0	0.00
Magnit <sup>^</sup>	53,687	0	0.00
Novatek GDR <sup>^</sup>	43,293	0	0.00
Polyus <sup>^</sup>	12,722	0	0.00
Rosneft Oil <sup>^</sup>	806,972	0	0.00
		<b>0</b>	<b>0.00</b>
<b>Saudi Arabia 0.66% (1.12%)</b>			
Alinma Bank	297,384	1,887	0.30
Saudi National Bank	225,522	2,228	0.36
		<b>4,115</b>	<b>0.66</b>

	Holding at 31.3.23	Market Value £000's	% of net assets
<b>South Africa 5.55% (6.45%)</b>			
Aspen Pharmacare Holdings	365,642	3,053	0.49
AVI	364,841	1,167	0.19
Bid	41,783	759	0.12
Capitec Bank Holdings	43,195	3,323	0.53
FirstRand	2,393,594	6,588	1.06
Foschini Group	226,333	938	0.15
Gold Fields	592,967	6,406	1.03
MTN Group	588,036	3,417	0.55
Naspers N	37,035	5,559	0.89
Shoprite Holdings	331,837	3,362	0.54
		<b>34,572</b>	<b>5.55</b>
<b>South Korea 13.77% (13.45%)</b>			
KB Financial Group	68,424	2,025	0.32
Kia	36,021	1,813	0.29
Korea Zinc	8,444	2,901	0.47
LG Chem	21,858	9,668	1.55
LG H&H	5,840	2,177	0.35
LG Uplus	76,950	518	0.08
Samsung Electro-Mechanics	25,473	2,416	0.39
Samsung Electronics	1,034,263	41,058	6.59
Samsung Fire & Marine Insurance	23,760	3,041	0.49
Samsung SDI	22,856	10,422	1.67
SK Hynix	146,273	8,042	1.29
SK Innovation	899	100	0.02
SK Telecom	54,973	1,648	0.26
		<b>85,829</b>	<b>13.77</b>
<b>Taiwan 15.64% (15.81%)</b>			
Accton Technology	349,000	2,948	0.47
ASE Technology Holding	1,974,538	5,900	0.94
Cathay Financial Holding	3,314,079	3,675	0.59
Chunghwa Telecom	606,000	1,924	0.31
CTBC Financial Holding	6,769,000	3,920	0.63
Hon Hai Precision Industry	2,749,000	7,594	1.22
MediaTek	411,000	8,581	1.38
Taiwan Semiconductor Manufacturing	4,245,108	60,102	9.64
Uni-President Enterprises	1,505,000	2,874	0.46
		<b>97,518</b>	<b>15.64</b>
<b>Thailand 0.85% (1.18%)</b>			
Kasikornbank NVDR	1,680,100	5,265	0.85
		<b>5,265</b>	<b>0.85</b>
<b>Turkey 0.00% (0.51%)</b>			
<b>United Arab Emirates 0.82% (1.42%)</b>			
Emaar Properties	3,932,803	5,119	0.82
		<b>5,119</b>	<b>0.82</b>

# Portfolio Statement (continued)

	Holding at 31.3.23	Market Value £000's	% of net assets
<b>United Kingdom 0.82% (0.50%)</b>			
Prudential	463,426	5,107	0.82
		<b>5,107</b>	<b>0.82</b>
<b>United States of America 1.76% (0.84%)</b>			
MercadoLibre	2,722	2,912	0.47
Yum China Holdings	158,242	8,071	1.29
		<b>10,983</b>	<b>1.76</b>
<b>Equities total</b>		<b>610,683</b>	<b>97.96</b>

	Holding at 31.3.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 1.38% (1.36%)</b>			
<b>Emerging Markets Equity Funds 1.38% (1.36%)</b>			
Schroder ISF Global Emerging Markets Smaller Companies - Class I Accumulation USD <sup>†</sup>	56,796	8,578	1.38
		<b>8,578</b>	<b>1.38</b>
<b>Collective Investment Schemes total</b>		<b>8,578</b>	<b>1.38</b>
<b>Portfolio of investments</b>		<b>619,261</b>	<b>99.34</b>
<b>Net other assets</b>		<b>4,110</b>	<b>0.66</b>
<b>Net assets attributable to unitholders</b>		<b>623,371</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 March 2022.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

Securities are categorised by country of incorporation.

<sup>^</sup> Unlisted, suspended or delisted security.

<sup>†</sup> A related party to the Fund (Note 11).

# Statement of Total Return

For the year ended 31 March 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital losses	2		(51,661)		(103,960)
Revenue	3	20,161		20,211	
Expenses	4	(9,684)		(13,615)	
Net revenue before taxation		<b>10,477</b>		<b>6,596</b>	
Taxation	5	(1,371)		(3,527)	
Net revenue after taxation			<b>9,106</b>		<b>3,069</b>
<b>Total return before distributions</b>			<b>(42,555)</b>		<b>(100,891)</b>
Distributions	6		(8,723)		(5,586)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>(51,278)</b>		<b>(106,477)</b>

# Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 March 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		751,097		941,240
Amounts receivable on issue of units	49,897		85,333	
Amounts payable on cancellation of units	(132,213)		(173,020)	
		<b>(82,316)</b>		<b>(87,687)</b>
Dilution adjustment		227		290
Change in net assets attributable to unitholders from investment activities		(51,278)		(106,477)
Retained distribution on Accumulation units		5,641		3,731
<b>Closing net assets attributable to unitholders</b>		<b>623,371</b>		<b>751,097</b>

# Balance Sheet

As at 31 March 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			619,261		725,293
<b>Current assets</b>					
Debtors	8		4,869		6,055
Cash and bank balances			6,707		25,778
<b>Total assets</b>			<b>630,837</b>		<b>757,126</b>
<b>Liabilities</b>					
Provisions for liabilities	9		(1,114)		(1,999)
<b>Creditors</b>					
Bank overdrafts			-		(1)
Distributions payable			(2,391)		(1,562)
Other creditors	10		(3,961)		(2,467)
<b>Total liabilities</b>			<b>(7,466)</b>		<b>(6,029)</b>
<b>Net assets attributable to unitholders</b>			<b>623,371</b>		<b>751,097</b>



# Notes to the Accounts

## For the year ended 31 March 2023

### 1 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 accounts have been prepared on a going concern basis.

#### Revenue

Dividends distributions receivable from equity investments and distributions receivable from authorised unit trusts and other collective investment schemes are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex-dividend.

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Fund. Any enhancement above the cash dividend is treated as capital.

Interest receivable from bank balances is accounted for on an accruals basis.

The Annual management charge and Administration charge in respect of the Schroder Funds in which the Fund invests are rebated to the Fund so that no double charging occurs.

#### Special dividends

Special dividends are treated as revenue or capital depending on the facts of each particular case.

#### Equalisation

Equalisation on distributions received by the Fund is deducted from the cost of investments. As such the equalisation on distributions received by the Fund does not form part of the Fund's distribution.

#### Expenses

Expenses of the Fund are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Fund. All expenses except for professional fee are accounted for on an accruals basis.

#### Taxation

Corporation tax is provided for on the revenue liable to corporation tax less deductible expenses. The tax effect of different items of revenue or expenses is allocated between revenue and capital using the marginal basis.

Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

#### Distributions

The revenue available for distribution is the total revenue earned by the Fund, less deductible expenses and taxation charged to revenue.

For Accumulation units this revenue is not distributed but automatically reinvested in the Fund and is reflected in the value of these units.

The ordinary element of scrip dividends is treated as revenue and does not form part of the distribution.

#### Dilution adjustment

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. If applied, the dilution adjustment is paid to the Fund. See Prospectus for further details.

#### Valuation

All investments held by the Fund have been valued at market value at 18:00 on the last working day of the accounting period. Market value is defined by the Statement of Recommended Practice as fair value which generally is the bid value of each security and the offer value for short positions.

Unquoted, illiquid and suspended investments are valued by the Manager at a best assessment of fair value.

#### Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at the exchange rates prevailing at the balance sheet date.

### 2 Net capital losses

The net capital losses during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	(54,747)	(105,059)
Forward foreign currency contracts	(14)	(21)
Foreign currency gains	3,100	1,098
Transaction costs	-	22
<b>Net capital losses</b>	<b>(51,661)</b>	<b>(103,960)</b>

# Notes to the Accounts

## For the year ended 31 March 2023 (continued)

### 3 Revenue

	2023	2022
	£000's	£000's
UK dividends	95	144
Overseas dividends	19,509	19,806
Franked distributions	218	187
Scrip dividends	56	72
Bank interest	281	-
Annual management charge rebates	2	2
<b>Total revenue</b>	<b>20,161</b>	<b>20,211</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	9,626	13,479
	<b>9,626</b>	<b>13,479</b>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Safe custody fees	-	23
Dividend expenses	58	48
	<b>58</b>	<b>71</b>
<b>Other expenses:</b>		
Professional fee	-	64
Interest payable	-	1
	-	<b>65</b>
<b>Total expenses</b>	<b>9,684</b>	<b>13,615</b>

1 Audit fees including VAT for the financial year ending 2023 were £15,162 (2022 - £9,673).

### 5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

#### (a) Analysis of the tax charge for the year

	2023	2022
	£000's	£000's
Indian capital gains tax	557	588
Overseas withholding tax	1,699	940
<b>Total current tax</b>	<b>2,256</b>	<b>1,528</b>
<b>Deferred tax</b>		
Indian capital gains tax	(885)	1,999
<b>Total taxation (Note 5(b))</b>	<b>1,371</b>	<b>3,527</b>

# Notes to the Accounts

## For the year ended 31 March 2023 (continued)

### (b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for authorised unit trusts of 20% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023	2022
	£000's	£000's
<b>Net revenue before taxation</b>	<b>10,477</b>	<b>6,596</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	2,095	1,319
<b>Effects of:</b>		
Revenue not subject to corporation tax	(3,699)	(3,321)
Movement in excess management expenses	1,640	2,075
Overseas withholding tax	1,699	940
Expensed withholding tax incurred	(36)	(73)
Indian capital gains tax	(328)	2,587
<b>Current tax charge for the year (Note 5(a))</b>	<b>1,371</b>	<b>3,527</b>

### (c) Provision for deferred tax

	2023	2022
	£000's	£000's
Provision at the start of the year	1,999	-
Movement in deferred tax for the year (Note 5(a))	(885)	1,999
<b>Provision at the end of the year</b>	<b>1,114</b>	<b>1,999</b>

### (d) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £23,881,823 (2022 – £22,241,694) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

## 6 Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	2023	2022
	£000's	£000's
Final Dividend distribution	8,032	5,293
Add: Revenue deducted on cancellation of units	1,063	521
Deduct: Revenue received on issue of units	(372)	(228)
<b>Distributions</b>	<b>8,723</b>	<b>5,586</b>
Net revenue after taxation	9,106	3,069
Scrip dividends not distributed	(56)	(72)
Indian capital gains tax	(328)	2,587
Equalisation on conversions	1	2
<b>Distributions</b>	<b>8,723</b>	<b>5,586</b>

Details of the distributions per unit are set out in the Distribution Table on page 25.

# Notes to the Accounts

## For the year ended 31 March 2023 (continued)

### 7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2023		2022	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	610,683	-	715,031	-
Level 2: Observable market data	8,578	-	10,262	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>619,261</b>	<b>-</b>	<b>725,293</b>	<b>-</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

#### Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Manager has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Manager of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Manager with particular attention paid to the carrying value of the investments.

### 8 Debtors

	2023 £000's	2022 £000's
Amounts receivable for issue of units	1,795	2,528
Sales awaiting settlement	884	380
Accrued revenue	2,136	3,047
Overseas withholding tax recoverable	54	100
<b>Total debtors</b>	<b>4,869</b>	<b>6,055</b>

### 9 Provision for liabilities

	2023 £000's	2022 £000's
Provision for Indian capital gains tax	1,114	1,999
<b>Total provisions for liabilities</b>	<b>1,114</b>	<b>1,999</b>

The deferred tax liability provision at the balance sheet date of £1,114,366 (2022 - £1,999,275) relates to a potential liability for Indian capital gains tax that may arise on the Fund's Indian investments should they be sold in the future, based on the net unrealised taxable capital gain at the period end and on enacted Indian tax rates. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

### 10 Other creditors

	2023 £000's	2022 £000's
Amounts payable for cancellation of units	1,943	330
Purchases awaiting settlement	1,242	1,209
Accrued expenses	776	928
<b>Total other creditors</b>	<b>3,961</b>	<b>2,467</b>

### 11 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2022 - Nil).

# Notes to the Accounts

## For the year ended 31 March 2023 (continued)

### 12 Related party transactions

The Manager provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Manager at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts. Annual management charge rebates received or receivable from the Manager of £1,816 (2022 – £2,196) are disclosed under Net capital losses and Revenue in the Notes to the Accounts.

The Manager acts as principal on all transactions of units in the Fund. The aggregate monies paid through the issue and cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the Notes to the Accounts. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Units held or managed by the Manager or associates of the Manager as a percentage of the Fund's net asset value at the balance sheet date were 40.32% (2022 – 44.35%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £217,961 (2022 – £187,052) is included under Revenue in the Notes to the Accounts.

### 13 Unit classes

At the reporting date the Fund had five unit classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each unit class can be found in the prospectus.

The closing net asset value of each unit class, the closing net asset value per unit and the closing number of units in issue are given in the Comparative Table on pages 10 to 12.

The distributions per unit class are given in the Distribution Table on page 25.

All classes have the same rights on winding up.

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

#### Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the unitholders would increase or decrease by approximately £61,926,100 (2022 - £72,529,300).

#### Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

#### Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2023 £000's	2022 £000's
Brazilian real	25,200	34,121
Chilean peso	2,135	2,655
Chinese yuan	57,507	35,199
Egyptian pound	-	767
Euro	7,180	7,565
Hong Kong dollar	128,062	146,647
Hungarian forint	4,173	8,136
Indian rupee	53,813	64,566
Indonesian rupiah	9,801	11,009
Malaysian ringgit	2,897	2,889
Mexican peso	5,894	9,097
Polish zloty	8,147	9,570
Qatari riyal	3,219	4,532
Saudi Riyal	4,115	8,378
South African rand	34,658	48,740
South Korean won	87,130	102,820
Sterling	1,454	3,962
Taiwan dollar	99,670	119,053
Thai baht	5,265	8,876

# Notes to the Accounts

## For the year ended 31 March 2023 (continued)

	2023	2022
Currency	£000's	£000's
Turkish lira	-	3,808
United Arab Emirates dirham	5,119	10,690
US dollar	77,932	108,017

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the unitholders will increase or decrease by approximately £62,191,700 (2022 - £74,713,500).

### Liquidity risk

The primary source of this risk to the Fund is the liability to unitholders for any cancellation of units. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

### Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits will be affected by fluctuations in interest rates.

At the year end date 1.08% (2022 - 3.43%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

### Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

### Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

### Global risk exposure

#### Commitment approach

When using derivatives, the Manager uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 March 2023 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

#### Leverage

	2023				2022			
	Lowest	Highest	Average	Leverage 31 March	Lowest	Highest	Average	Leverage 31 March
	0.00%	4.70%	0.17%	0.07%	0.00%	2.17%	0.14%	0.05%

# Notes to the Accounts

## For the year ended 31 March 2023 (continued)

### 15 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	244,351	183	149	244,683	0.07	0.06
Funds	218	-	-	218	-	-
	244,569	183	149	244,901		
<b>Sales</b>						
Equities	295,285	(225)	(307)	294,753	(0.08)	(0.10)
Funds	1,393	-	-	1,393	-	-
	296,678	(225)	(307)	296,146		
Total cost of the Fund's average net asset value (%)		0.06	0.07			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Purchases <sup>1</sup> :						
Equities	273,346	203	142	273,691	0.07	0.05
Funds	187	-	-	187	-	-
Corporate actions purchases:						
Equities	407	-	-	407	-	-
	273,940	203	142	274,285		
<b>Sales</b>						
Equities	369,892	(224)	(372)	369,296	(0.06)	(0.10)
Funds	1,259	-	-	1,259	-	-
	371,151	(224)	(372)	370,555		
Total cost of the Fund's average net asset value (%)		0.05	0.05			

1 Excluding corporate actions.

#### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.12% (2022 – 0.18%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

# Notes to the Accounts

## For the year ended 31 March 2023 (continued)

### 16 Units in issue reconciliation

	Number of units in issue 31.3.22	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 31.3.23
A Accumulation units	190,435,320	11,629,612	(41,451,906)	(177,812)	160,435,214
A Income units	33,030,338	484	(150,138)	(857)	32,879,827
S Income units	19,568,944	3,319,532	(1,955,208)	–	20,933,268
Z Accumulation units	131,217,178	6,325,562	(27,311,247)	365,991	110,597,484
Z Income units	81,875,818	17,754,796	(13,017,351)	57,914	86,671,177

### 17 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 March 2023, the price of each unit class has changed as follows:

	Dealing price 7.7.23	Dealing price 31.3.23	% change
A Accumulation units	217.20p	224.90p	(3.42)
A Income units	192.70p	201.60p	(4.41)
S Income units	81.24p	85.73p	(5.24)
Z Accumulation units	93.62p	96.74p	(3.23)
Z Income units	80.84p	85.05p	(4.95)



# Distribution Table

## Final distribution for the year ended 31 March 2023

**Group 1** Units purchased prior to 1 April 2022

**Group 2** Units purchased on or after 1 April 2022

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution payable 31.5.23 per unit	Distribution paid 31.5.22 per unit
<b>A Accumulation units</b>				
Group 1	2.3280p	-	2.3280p	1.0704p
Group 2	0.5565p	1.7715p	2.3280p	1.0704p
<b>A Income units</b>				
Group 1	2.0874p	-	2.0874p	0.9617p
Group 2	0.6823p	1.4051p	2.0874p	0.9617p
<b>S Income units</b>				
Group 1	1.8669p	-	1.8669p	1.5539p
Group 2	1.5813p	0.2856p	1.8669p	1.5539p
<b>Z Accumulation units</b>				
Group 1	1.7236p	-	1.7236p	1.2900p
Group 2	0.6971p	1.0265p	1.7236p	1.2900p
<b>Z Income units</b>				
Group 1	1.5154p	-	1.5154p	1.1485p
Group 2	0.9223p	0.5931p	1.5154p	1.1485p

## Equalisation

Equalisation applies to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of Group 2 units and is refunded to the holders of these units as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

# Remuneration

## UCITS remuneration disclosures for Schroder Unit Trusts Limited ('SUTL') for the year to 31 December 2022

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 76 to 107 of the 2022 Annual Report & Accounts (available on the Group's website <https://www.schroders.com/en/investor-relations/results-and-reports/annual-report-and-accounts-2022/>), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

The UCITS Material Risk Takers ('UCITS MRTs') of SUTL are individuals whose roles within the Schroders Group can materially affect the risk of SUTL or any UCITS fund that it manages. These roles are identified in line with the requirements of the UCITS Directive and guidance issued by the European Securities and Markets Authority.

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the UCITS Directive are met for all UCITS MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy and periodically reviewing its implementation in relation to SUTL. During 2022 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

The implementation of the remuneration policy is, at least annually, subject to independent internal review for compliance with the policies and procedures for remuneration adopted by the Board of SUTL and the Remuneration Committee. The most recent review found no fundamental issues but resulted in minor recommendations relating to process documentation.

The ratio of total costs to net income through the market cycle guides the total spend on remuneration each year. This is recommended by the Remuneration Committee to the Board of Schroders plc. This approach aligns remuneration with Schroders financial performance. In determining the remuneration spend each year, the underlying strength and sustainability of the business is taken into account, along with reports on risk, legal, compliance and internal audit matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2022.

- The total amount of remuneration paid by SUTL to its staff was nil as SUTL has no employees. SUTL has two independent Non Executive Directors who receive fees in respect of their role on the Board of SUTL<sup>1</sup>. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to UCITS MRTs of SUTL. Most of those UCITS MRTs were employed by and provided services to other Schroders group companies and clients. In the interests of transparency, the aggregate remuneration figures that follow reflect the full remuneration for each SUTL UCITS MRT. The aggregate total remuneration paid to the 158 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2022 is £113.41 million, of which £38.94 million was paid to senior management, and £74.47 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and Control Function MRTs.

For additional qualitative information on remuneration policies and practices see [www.schroders.com/rem-disclosures](http://www.schroders.com/rem-disclosures).

1 The fees are not disclosed due to confidentiality and data protection considerations. The amount is not material to SUTL.

# 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 Auditors

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

## 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

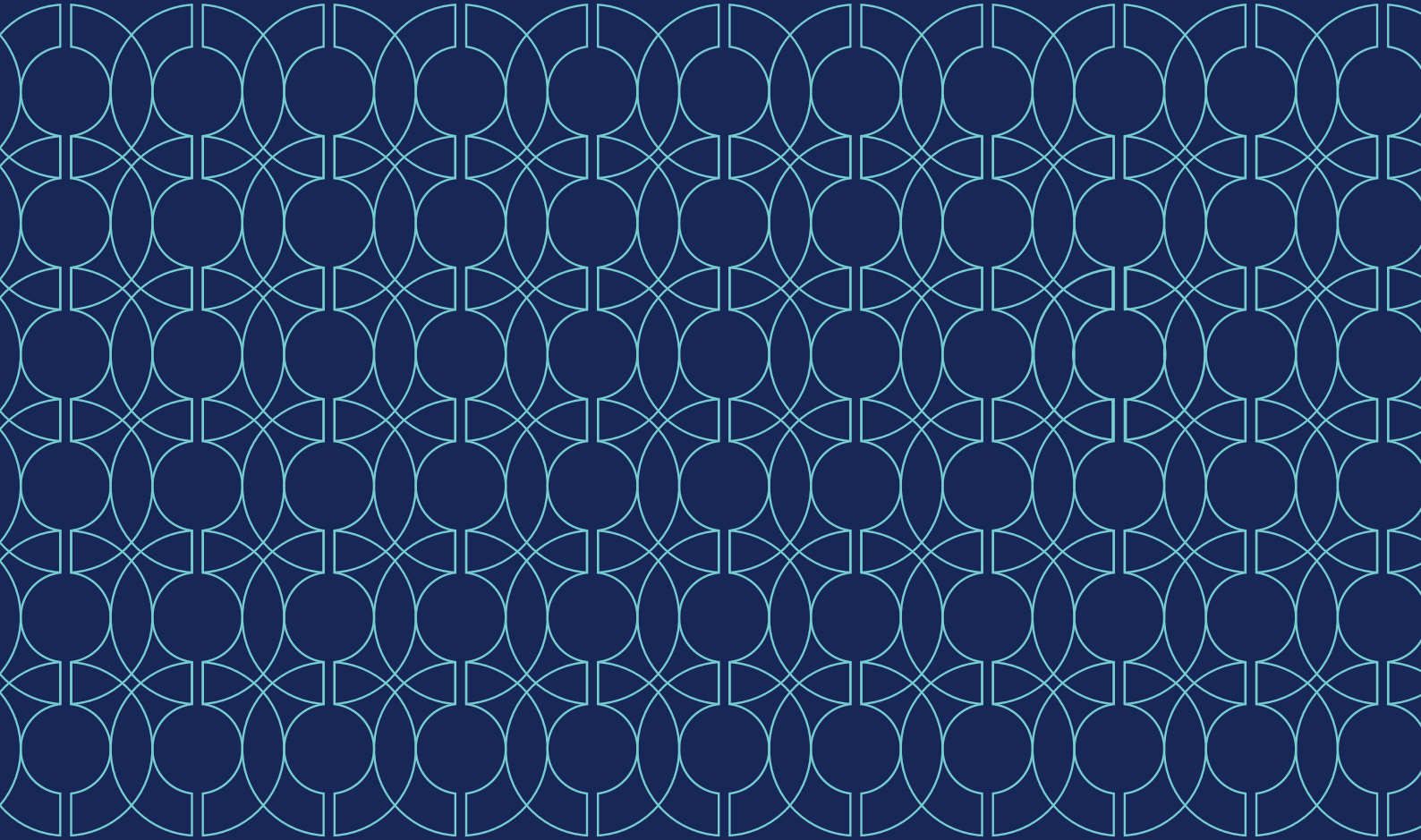
A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at [www.Schroders.com](http://www.Schroders.com) within 4 months of the annual 'reference date' 31 December.

## 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/](http://www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/) within 6 months of the TCFD reporting date of 31 December.

## 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](http://www.schroders.com).



EST. 1804

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

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