

Schroders

Schroder Global Equity Income Fund
Interim Report and Accounts
15 January 2023



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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder Global Equity Income Fund (the 'Fund') aims to provide income and capital growth in excess of the MSCI World (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 companies worldwide.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of companies worldwide which offer sustainable dividend payments.

The Fund seeks to invest in a diversified portfolio of equity and equity related securities that (1) offer capital growth and income; and (2) whose dividend yield in aggregate is greater than the average market yield. Equities with below average dividend yield may be included in the portfolio when the Investment Manager considers that they have the potential to pay above average income in future.

The Fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

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

With effect from 13 January 2023 the Fund's Investment objective and policy changed, previously it was:

The Fund aims to provide income and capital growth in excess of the MSCI World (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 companies worldwide.

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The Fund seeks to invest in a diversified portfolio of equity and equity related securities whose dividend yield in aggregate is greater than the average market yield. Equities with below average dividend yield may be included in the portfolio when the Investment Manager considers that they have the potential to pay above average income in future.

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The Fund may use derivatives with the aim of reducing risk or 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 World (Net Total Return) Index, and compared against the MSCI World Value (Net Total Return) Index and the Investment Association Global Equity Income 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 these benchmarks are a suitable comparison for performance purposes given the Fund's investment objective and policy.

Total purchases and sales

	For the period to 15.1.23 £000's	For the year to 15.7.22 £000's
Total purchases	43,916	102,956
Total sales	41,998	99,618

Fund Performance

	Number of units in issue 15.1.23	Net asset value per unit 15.1.23	Net asset value per unit 15.7.22
A Accumulation units	16,250,042	132.20p	121.36p
A Income units	5,484,500	74.37p	69.34p
L Accumulation units	37,515,513	119.24p	109.01p
L Income units	85,585,153	87.08p	80.84p
S Income units	1,621,737	55.34p	51.29p
Z Accumulation units	40,841,821	155.88p	142.56p
Z Income units	79,970,483	106.70p	99.10p

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 15 July 2022 to 13 January 2023 the price of Z Accumulation units on a dealing price basis rose 9.70%. In the same period, the MSCI World Index generated a net total return of 4.09%¹ in sterling terms.

Our income strategy delivers returns from two sources: the income the companies generate through paying dividends; and the capital returns generated by lowly valued, underperforming companies improving.

The period under review saw gains for equities in sterling terms. The period was marked by sharply rising inflation and consequent interest rate rises from major central banks. This resulted in increased worries over the outlook for economic growth. It also saw markets turning away from highly valued growth stocks and towards lowly-valued parts of the market.

Against this backdrop, the Fund outperformed the index. Stock picking in financials and consumer discretionary was particularly positive. Within financials, Italian banks UniCredit and Intesa Sanpaolo were among the leading individual contributors, as was emerging markets focused lender Standard Chartered. Banks benefited from the rising interest rate environment and from valuations which remain attractive. Better profitability is also enabling banks to improve returns to shareholders.

Elsewhere, the Fund's lower-than-benchmark weighting in technology was also beneficial as we avoided some highly valued US stocks. Our holding in energy stocks Eni and Repsol made positive contributions as demand for oil & gas remained strong.

On the negative side, Intel was the main individual detractor. The high demand for semiconductors witnessed during the pandemic began to soften and supply chain blockages eased. Intel is making investments to regain its edge in the semiconductor industry, and to bring more production onshore.

New additions to the portfolio include cement producer HeidelbergCement, online marketplace eBay and tools maker Stanley Black & Decker. We have also added Samsung Electronics and Micron Technology. We sold out of telecoms group Nippon Telegraph & Telephone which had reached our estimate of fair value.

Co-Fund Manager:
Simon Adler



Co-manager of Global Recovery and Global Income strategies
Joined the Global Value Team in July 2016
Investment career commenced in 2008, at Schrodgers as a UK equity analyst
Previously sector analyst responsible for Chemicals, Media, Transport, Travel & Leisure and Utilities
Global Sustainability Specialist in Global Equity team until 2016
CFA Charterholder
MA in Politics, Edinburgh University

Co-Fund Manager:
Nick Kirrage



Co-manager of UK Income, UK Recovery, Global Recovery and Global Income strategies
Founding member of the Global Value Team in 2013
Investment career commenced in 2001 within Schrodgers' Pan European research team
Previously analyst responsible for a number of sectors including Transport, Metals & Mining and Aerospace and Defence sectors
CFA Charterholder
Degree in Aeronautical Engineering, Bristol University

Co-Fund Manager:
Liam Nunn



Co-manager of Global Recovery and Global Income strategies
Joined the Global Value team in January 2019
Investment career commenced in 2011 at Schrodgers as a Pan European sector analyst
Moved to Merian Global Investors (formerly Old Mutual Global Investors) in 2015 as an equity analyst/fund manager
Chartered Financial Analyst
Degree in Politics, Philosophy and Economics, Durham 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 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 gains on the property of the Fund for the period. 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 period ended 15 January 2023 were signed on 9 March 2023 on behalf of the Manager by:

S. Reedy
Directors

P. Chislett

Portfolio Statement

	Holding at 15.1.23	Market Value £000's	% of net assets
Equities 97.90% (100.30%)			
Australia 1.59% (1.27%)			
South32	1,788,836	4,668	1.59
		4,668	1.59
Belgium 1.50% (1.49%)			
Ageas	113,577	4,432	1.50
		4,432	1.50
Bermuda 1.80% (2.06%)			
VTech Holdings	946,200	5,302	1.80
		5,302	1.80
France 7.72% (7.81%)			
AXA	240,854	5,936	2.01
Carrefour	327,817	4,813	1.63
Orange	628,668	5,529	1.88
Sanofi	80,211	6,483	2.20
		22,761	7.72
Germany 11.17% (7.80%)			
BASF	137,084	6,417	2.18
Bayer	118,482	6,029	2.04
Continental	126,472	7,546	2.56
HeidelbergCement	130,756	6,833	2.32
Henkel Preference	106,000	6,103	2.07
		32,928	11.17
Italy 6.59% (5.16%)			
Eni	484,594	6,203	2.11
Intesa Sanpaolo	3,282,703	6,643	2.25
UniCredit	503,259	6,569	2.23
		19,415	6.59
Japan 12.18% (17.97%)			
Bridgestone	177,600	5,368	1.82
Citizen Watch	960,700	3,559	1.21
DeNA	279,300	3,108	1.05
Dentsu Group	203,300	5,338	1.81
H.U. Group Holdings	288,600	5,158	1.75
KDDI	217,700	5,430	1.84
Nippon Television Holdings	196,900	1,281	0.44
Panasonic Holdings	793,400	5,603	1.90
TV Asahi Holdings	128,100	1,058	0.36
		35,903	12.18
Jersey 1.98% (1.23%)			
WPP	631,814	5,834	1.98
		5,834	1.98
Luxembourg 3.01% (3.16%)			
RTL Group	122,083	4,784	1.62
SES FDR	701,869	4,092	1.39
		8,876	3.01
Russia 0.00% (0.00%)			
Alrosa [^]	3,851,850	0	0.00
		0	0.00

	Holding at 15.1.23	Market Value £000's	% of net assets
Singapore 1.53% (1.70%)			
Genting Singapore	7,256,400	4,500	1.53
		4,500	1.53
South Africa 1.29% (1.12%)			
Tiger Brands	354,774	3,794	1.29
		3,794	1.29
South Korea 1.51% (0.00%)			
Samsung Electronics	111,009	4,451	1.51
		4,451	1.51
Spain 1.50% (1.75%)			
Repsol	333,542	4,406	1.50
		4,406	1.50
Switzerland 2.09% (1.73%)			
Swiss Re	75,307	6,165	2.09
		6,165	2.09
Taiwan 1.41% (0.00%)			
Asustek Computer	578,000	4,165	1.41
		4,165	1.41
United Kingdom 20.61% (23.65%)			
Anglo American	131,020	4,675	1.59
BT Group	4,152,696	5,274	1.79
Centrica	3,608,184	3,490	1.19
GSK	383,517	5,502	1.87
HSBC Holdings	1,015,902	6,005	2.04
Imperial Brands	189,604	3,873	1.31
NatWest Group	2,004,293	5,906	2.00
Rolls-Royce Holdings	5,072,474	5,515	1.87
Shell	240,778	5,875	1.99
Standard Chartered	1,297,413	9,186	3.12
Tesco	2,212,508	5,432	1.84
		60,733	20.61
United States of America 20.42% (22.40%)			
Bristol-Myers Squibb	82,245	4,856	1.65
eBay	137,110	5,178	1.76
Intel	286,861	7,066	2.40
International Business Machines	42,755	5,094	1.73
Micron Technology	97,070	4,496	1.53
Molson Coors Beverage B	152,252	6,318	2.14
Pfizer	97,148	3,810	1.29
Stanley Black & Decker	84,800	6,189	2.10
Verizon Communications	165,353	5,611	1.90
Walgreens Boots Alliance	216,847	6,483	2.20
Western Union	433,750	5,071	1.72
		60,172	20.42
Equities total		288,505	97.90
Portfolio of investments		288,505	97.90
Net other assets		6,203	2.10
Net assets attributable to unitholders		294,708	100.00

The comparative percentage figures in brackets are as at 15 July 2022.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

[^] Unlisted, suspended or delisted security.

Statement of Total Return (unaudited)

For the six months ended 15 January 2023

	15.1.23		15.1.22	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		22,009		21,186
Revenue	4,859		4,717	
Expenses	(1,331)		(1,272)	
Net revenue before taxation	3,528		3,445	
Taxation	(319)		(338)	
Net revenue after taxation		3,209		3,107
Total return before distributions		25,218		24,293
Distributions		(4,526)		(4,131)
Change in net assets attributable to unitholders from investment activities		20,692		20,162

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

For the six months ended 15 January 2023

	15.1.23		15.1.22	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		263,590 [^]		255,564
Amounts receivable on issue of units	20,453		23,366	
Amounts payable on cancellation of units	(12,047)		(41,322)	
		8,406		(17,956)
Dilution adjustment		18		23
Change in net assets attributable to unitholders from investment activities		20,692		20,162
Retained distribution on Accumulation units		2,002		1,744
Closing net assets attributable to unitholders		294,708		259,537[^]

[^] 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 2023

	15.1.23	15.7.22
	£000's	£000's
Assets		
Investments	288,505	264,389
Current assets		
Debtors	1,591	1,296
Cash and bank balances	7,999	2,185
Total assets	298,095	267,870
Liabilities		
Creditors		
Distributions payable	(2,579)	(3,565)
Other creditors	(808)	(715)
Total liabilities	(3,387)	(4,280)
Net assets attributable to unitholders	294,708	263,590

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 accounts have been prepared on a going concern basis.

The accounting policies applied are consistent with those of the annual accounts for the year ended 15 July 2022 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 Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorisation

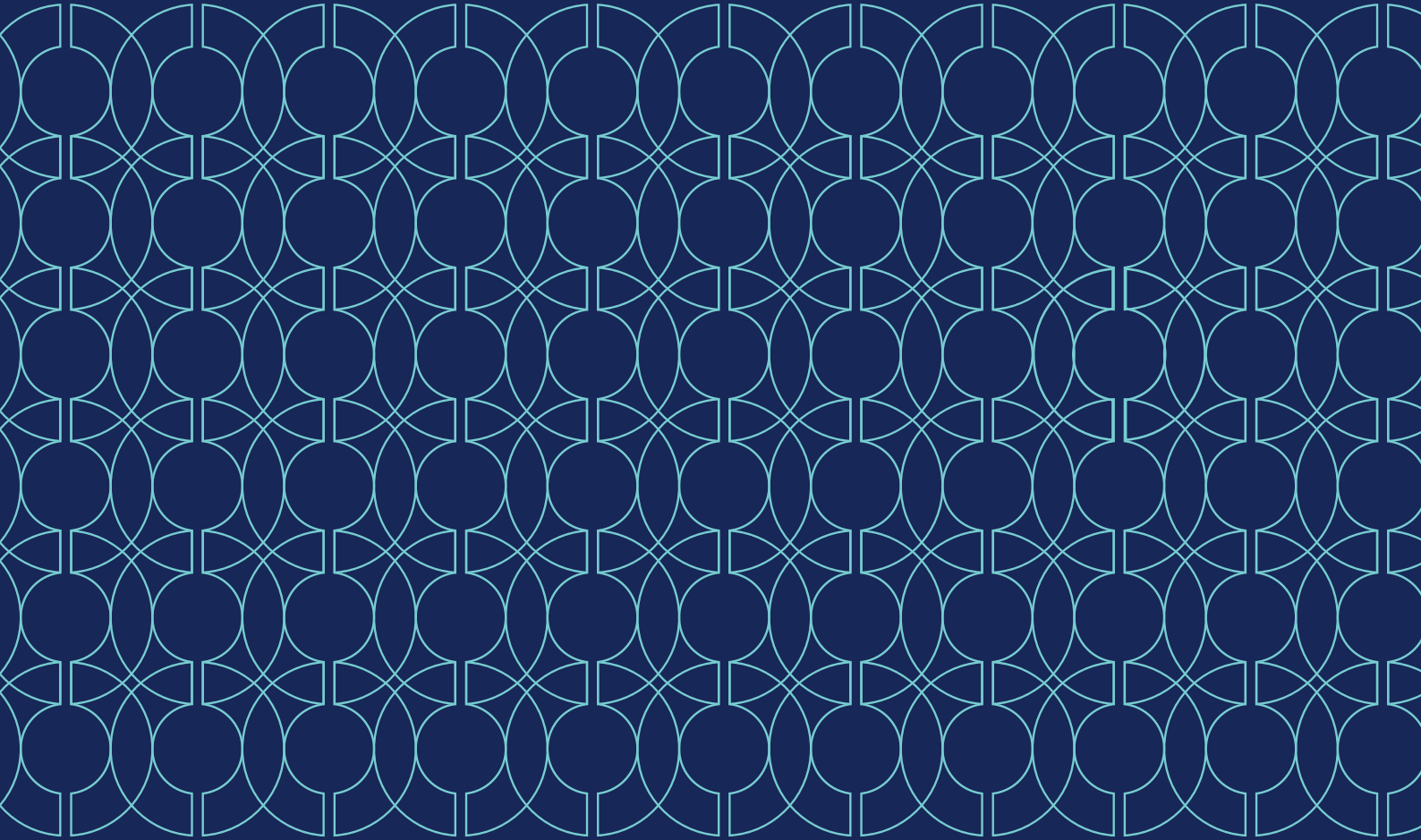
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

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 within 4 months of the annual 'reference date' 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.



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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