

**Schroders**

**Schroder Investment Solutions Company**  
**Annual Report and Accounts**  
5 October 2023



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<sup>1</sup> Collectively these comprise the Authorised Corporate Director's report.

# Company Information

## General information

Schroder Investment Solutions Company (SISCO or the Company) is an umbrella company comprising twelve sub funds which have their own investment objectives and policies. As at 5 October 2023 the company had the following sub funds available:

**Schroder Global Multi-Asset Cautious Portfolio\***

**Schroder Global Multi-Asset Moderately Cautious Portfolio\***

**Schroder Global Multi-Asset Balanced Portfolio\***

**Schroder Global Multi-Asset Growth Portfolio\***

**Schroder Global Multi-Asset Adventurous Portfolio\***

**Schroder Managed Defensive Fund**

**Schroder Blended Portfolio 3**

**Schroder Blended Portfolio 4**

**Schroder Blended Portfolio 5**

**Schroder Blended Portfolio 6**

**Schroder Blended Portfolio 7**

**Schroder Blended Portfolio 8**

\*The following sub fund name changes were made effective after the reporting date on 2 May 2023: Schroder Tactical 3 was renamed Schroder Global Multi-Asset Cautious Portfolio, Schroder Tactical Portfolio 4 was renamed Schroder Global Multi-Asset Moderately Cautious Portfolio, Schroder Tactical Portfolio 5 was renamed Schroder Global Multi-Asset Balanced Portfolio, Schroder Tactical Portfolio 6 was renamed Schroder Global Multi-Asset Growth Portfolio and Schroder Tactical Portfolio 7 was renamed Schroder Global Multi-Asset Adventurous Portfolio.

## Principle activities

The Company's principle activity is to carry on business as an Open Ended Investment Company. The Company is structured as an umbrella company and different sub funds may be established by the Authorised Corporate Director from time to time with the agreement of the Depositary and approval from the Financial Conduct Authority.

The sub funds are operated separately and the assets of each sub fund are managed in accordance with the investment objective and policy applicable to that sub fund.

## Liabilities of the Company

The sub funds are segregated portfolios of assets and, accordingly, the assets of each sub fund belong exclusively to that sub fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other sub fund, and shall not be available for any such purpose. Subject to the above, each sub fund will be charged with the liabilities, expenses, costs and charges attributable to that sub fund and within each sub fund charges will be allocated as far as possible according to the net asset value of that particular share class. Any assets, liabilities, expenses, costs or charges not attributable to a particular sub fund may be allocated by the Authorised Corporate Director in a manner which it believes is fair to the shareholders generally. This will normally be pro rata to the net asset value of the relevant sub fund(s).

Shareholders are not liable for the debts of the Company.

Shareholders are not liable to make any further payments to the Company after they have paid the purchase price of the share.

# Statement of the Authorised Corporate Director's Responsibilities

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

In preparing the accounts the Authorised Corporate Director 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 Company and its sub funds' 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 Company or its sub funds or to cease operations, or have no realistic alternative but to do so. For the reasons stated in the accounting policy 'basis of preparation', the financial statements of Schroder Managed Defensive Fund have not been prepared on a going concern basis;
- 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 Authorised Corporate Director is responsible for the management of the Company in accordance with its Instrument of incorporation, the Prospectus and the COLL Rules.

The Authorised Corporate Director 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. Truscott**  
Directors  
1 February 2024

**J. Rainbow**

# Report of the Depositary

## **Statement of the Depositary's responsibilities in respect of the Scheme and report of the Depositary to the shareholders of the Schroder Investment Solutions Company ('the Company') for the year ended 5 October 2023.**

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Depositary must ensure that:

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

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

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

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the regulations and the Scheme documents of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

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

Depositary  
Bournemouth  
26 October 2023

# Independent Auditor's Report to the Shareholders of Schroder Investment Solutions Company

## Opinion

We have audited the financial statements of Schroder Investment Solutions Company (the "Company") for the year ended 5 October 2023 which comprise the Statements of Total Return, the Statements of Change in Net Assets Attributable to Shareholders, the Balance Sheets, the Related Notes and Distribution Tables for each of the Company's sub funds listed on page 3 and the accounting policies set out on pages 9 to 10.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of each of the sub funds as at 5 October 2023 and of the net revenue and net capital gains/(losses) on the property of each of the sub funds for the year then ended; and
- have been properly prepared in accordance with the Instrument of Incorporation, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Emphasis of Matter – non-going concern basis of preparation

In respect of sub fund Schroder Managed Defensive Fund, we draw attention to the disclosure made in accounting policy "Basis of preparation" to the financial statements which explains that the financial statements of the sub fund have not been prepared on a going concern basis for the reasons set out in that note. Our opinion is not modified in respect of this matter.

## Going concern

The Authorised Corporate Director has prepared the financial statements on the going concern basis, except for Schroder Managed Defensive Fund, as they do not intend to liquidate the Company or its sub funds or to cease their operations, and as they have concluded that the Company and its sub funds' financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Authorised Corporate Director's conclusions, we considered the inherent risks to the Company or its sub funds' business model and analysed how those risks might affect the Company or its sub funds' financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Authorised Corporate Director's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's and its sub funds' ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company or its sub funds will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Company or its sub funds high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Authorised Corporate Director, the Depositary, the Administrator and the Investment Adviser; and
- Reading Authorised Corporate Director's minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Authorised Corporate Director and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

# Independent Auditor's Report to the Shareholders of Schroder Investment Solutions Company

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## Other information

The Authorised Corporate Director is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Authorised Corporate Director's Report for the financial year is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

- proper accounting records for the Company have not been kept; or
- the financial statements are not in agreement with the accounting records.

## Authorised Corporate Director's responsibilities

As explained more fully in its statement set out on page 4, the Authorised Corporate Director is responsible for: the preparation of financial statements that give a true and fair view; 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; assessing the Company or its sub funds ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or its sub funds or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's shareholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under the Open-Ended Investment Companies Regulations 2001. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Grant Archer

For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
319 St Vincent Street  
Glasgow  
G2 5AS  
1 February 2024

# Statement of Cross Holdings

As of 5 October 2023 there were no sub fund cross holdings within the Company.



# 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)).

For all funds with the exception of Schroder Managed Defensive Fund, the Authorised Corporate Director has undertaken a detailed assessment of each 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, each Fund continues to be open for trading and the Authorised Corporate Director is satisfied each 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 fund is under review as to its ongoing viability over the next year by the Authorised Corporate Director. As a result the financial statements for this fund have not been prepared on a going concern basis. The prior year financial statements were prepared on a going concern basis. No adjustments were required to the financial statements to adjust assets or liabilities to their realisable values or to provide for liabilities arising from any potential action that results from this review. No liabilities have been recorded for costs any potential action as the intention is that the Authorised Corporate Director will bear any such costs which may arise.

## Revenue

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.

Interest receivable from bank balances, futures clearing houses and brokers is accounted for on an accruals basis.

Interest receivable from debt securities is accounted for on an effective yield basis.

The rebates received from other investment managers are also receipted to the sub fund.

All rebates are treated as revenue or capital based on the underlying Fund's treatment.

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

## Interest on debt securities bought or sold

Interest on debt securities bought or sold is excluded from the capital cost of securities, and is dealt with as part of the revenue of the sub fund.

## Expenses

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

## Taxation

Schroder Global Multi-Asset Cautious Portfolio and Schroder Managed Defensive Fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions made are therefore made as interest distribution.

Corporation tax on the other sub funds is provided for on the revenue liable to corporation tax less deductible expenses. The tax effect of different items of revenue or expense 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 sub fund, less deductible expenses and taxation charged to revenue.

For Accumulation shares this revenue is not distributed but automatically reinvested in the sub fund and is reflected in the value of these shares.

For the purpose of calculating the distribution on Schroder Global Multi-Asset Cautious Portfolio and Schroder Managed Defensive Fund, revenue on debt securities is calculated on a coupon basis where this exceeds the amount determined on an effective yield basis. As a consequence, the capital value of the sub fund may be eroded.

## Dilution adjustment

In certain circumstances the Authorised Corporate Director may apply a dilution adjustment on subscriptions and redemptions of shares. If applied, the dilution adjustment is paid to the sub fund. See Prospectus for further details.

## Valuation

With the exception of forward foreign currency contracts which have been valued at the sub fund valuation point (12:00) on the last working day of the accounting period, all other investments held by the sub 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.

Single priced authorised unit trusts have been valued at the dealing price.

# Accounting policies

## (continued)

All investments are valued net of any accrued interest which is included in the balance sheet as a revenue related item.

### 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.

### Total return swaps

Any revenue is calculated by reference to the quoted yield of the index upon which the total return swap is based compared to the Sterling Overnight Index Average Rate and may be revenue or an expense in relation to whether the sub fund held a net long or short position over the period. The revenue and expense position would be reversed if the Sterling Overnight Index Average Rate exceeds the quoted yield of the relevant index.

# Schroder Global Multi-Asset Cautious Portfolio (formerly Schroder Tactical Portfolio 3)

## Investment objective and policy

Schroder Global Multi-Asset Cautious Portfolio (formerly Schroder Tactical Portfolio 3) (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 30% to 45% of that of global stock markets (represented by the MSCI All Country World index).

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund is part of the Schroder Global Multi-Asset Portfolio range, which offers five funds with different expected combinations of investment risk and return. The Fund aims to take a cautious approach, which means that it aims to be the lowest risk fund in this range, with more 'lower risk' assets (such as certain fixed income securities) and fewer 'higher risk' assets (such as certain equities) than the other funds in the range. The Fund may invest up to 35% of its assets, directly or indirectly, in equity and equity-related securities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

*With effect from 2 May 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 30% to 45% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Tactical Portfolio range, which offers five funds with different expected combinations of investment risk and return. This Fund is risk level 3, which aims to be the lowest risk fund in this range with the lowest equity weighting.

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

The reference to "tactical" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager takes a tactical view on asset classes over shorter time periods in order to manage exposure to different asset classes with the objective of adding value.

## Additional Information

The number in the Fund's name reflects the risk level of the fund, which is in line with the profiling classification. Each client completes a risk profiling questionnaire with their adviser when choosing the investment strategy most appropriate for their needs, which results in a risk profiling classification. This risk classification can range between 1 and 10, with 10 being the highest.

## Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 0-35% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

## Significant events

Effective from 2 May 2023, Schroder Tactical Portfolio 3 Fund changed its name to Schroder Global Multi-Asset Cautious Portfolio and changed its investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 0.76%. In comparison, Investment Association Mixed Investment 0-35% Shares Sector Average generated a total return of 1.06%<sup>1</sup>.**

This period has been characterised by persistent inflation, a recession missing in action, and an artificial intelligence revolution driving equity markets.

At the start of the period the portfolio was cautious on equities, remaining underweight due to concerns over higher inflation and expectations for corporate earnings contributing to recessionary risks. This stance was maintained as we entered the spring of 2023, but as the first half of the year progressed the portfolio's underweight positions in US and Eurozone equities were reduced and we moved toward neutral position. As we moved in to the second half of the year the portfolio favoured US smaller companies versus larger US companies (represented by the Russell 2000 index and the S&P 500 index respectively) at the start of Q3. There were encouraging signs that a US recession had been avoided, at least in the medium term, and we believed this would give smaller US companies a chance to outperform larger companies. In order to diversify this position, the portfolios held an allocation to US Financials stocks. Elsewhere, we favoured Japanese equities against German equities. Economic conditions in Japan have strengthened while there are signs of a deterioration in Germany.

Within fixed income, the first quarter of 2023 saw us take a positive stance on credit against a backdrop of attractive valuations and positive yields. To this end, an overweight position in European investment grade debt was added as the European Central Bank kept interest rates on hold, while growth remained supportive. Many emerging markets had also made greater progress on taming inflation than their developed counterparts, allowing interest rates to fall, so the portfolio also held a position in emerging market debt (local currency). The portfolio is currently neutral on government bonds and we prefer the shorter end of the yield curve. The longer end remains unattractive given the ongoing level of inversion (where short-term bonds have higher yield than long-term bonds), and medium-term concerns over government debt levels and inflation.

Within alternatives, the portfolio held a position in commodities as supply-side pressures contributed to a positive outlook for the asset class.

**Head of UK Multi-Asset Investments:  
Philip Chandler, CFA**



Joined Schroders in 2003 and is based in London

Fund manager in the Benchmark Relative team, focusing on UK pension and insurance clients. Member of the Duration risk premia team of the Strategic Investment Group Multi-Asset (SIGMA)

Initially joined Schroders as a portfolio manager in the Fixed Income team, with responsibility for global rates, money markets and then Gilt and European government portfolios. Transferred to the Multi-Asset team in 2009

CFA Charterholder

Degree in Philosophy, Politics and Economics, University of Oxford

**Multi-Asset Fund Manager:  
Tara Jameson, CFA**



Tara is a Multi-Asset Fund Manager at Schroders, focusing on benchmark relative portfolios. She is the head of the Credit research group in the Strategic Investment Group Multi-Asset (SIGMA)

She joined Schroders in 2014 and is based in London

Tara was a Solutions Manager at Schroders from 2015 to 2018, which involved designing and constructing systematic risk management and option strategies

She was a Business analyst at Schroders from 2014 to 2015, for the UK Institutional Business

CFA Charterholder; MA in Natural Sciences (Chemistry) from Jesus College, Cambridge University

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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. The Fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

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).

# Comparative Table

Financial year to 5 October	F Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	52.78	58.33	54.95
Return before operating charges*	0.51	(5.40)	3.65
Operating charges	(0.11)	(0.15)	(0.27)
<b>Return after operating charges*</b>	<b>0.40</b>	<b>(5.55)</b>	<b>3.38</b>
Distributions**	(1.44)	(0.44)	(0.35)
Retained distributions**	1.44	0.44	0.35
<b>Closing net asset value</b>	<b>53.18</b>	<b>52.78</b>	<b>58.33</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	0.76	(9.51)	6.15
<b>Other information</b>			
Closing net asset value (£000's)	17,586	17,247	22,339
Closing number of shares	33,070,665	32,679,334	38,299,616
Operating charges (%)	0.20	0.27	0.26
<b>Prices</b>			
Highest dealing price	55.34p	60.09p	59.35p
Lowest dealing price	51.42p	52.06p	54.41p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 74.64% (75.94%)</b>			
<b>Commodity Funds 0.96% (0.52%)</b>			
iShares Diversified Commodity Swap Fund USD (Acc) Share Class	30,941	169	0.96
		<b>169</b>	<b>0.96</b>
<b>Emerging Markets Fixed Interest Funds 0.00% (1.04%)</b>			
<b>European Fixed Interest Funds 3.01% (0.00%)</b>			
iShares Core € Corp Bond Fund EUR (Dist) Share Class	5,378	529	3.01
		<b>529</b>	<b>3.01</b>
<b>Global Equity Funds 16.88% (18.53%)</b>			
Schroder Global Equity Component Fund - Class X Accumulation GBP†	399,330	334	1.90
Schroder Global Equity Fund - Class X Accumulation GBP†	1,986,540	1,320	7.50
Schroder Sustainable Multi- Factor Equity Fund - Class X Accumulation GBP†	1,856,084	1,315	7.48
		<b>2,969</b>	<b>16.88</b>
<b>Global Fixed Interest Funds 48.90% (49.75%)</b>			
Schroder Global Corporate Bond Managed Credit Component Fund - Class X Accumulation GBP†	4,197,261	2,154	12.25
Schroder Global Sovereign Bond Tracker Component Fund - Class X Accumulation GBP†	7,137,983	3,260	18.54
Schroder ISF Global Corporate Bond Fund - Class I Accumulation USD†	267,123	3,184	18.11
		<b>8,598</b>	<b>48.90</b>
<b>UK Equity Funds 4.89% (6.10%)</b>			
Schroder Prime UK Equity Fund - Class X Accumulation GBP†	648,757	861	4.89
		<b>861</b>	<b>4.89</b>
<b>Collective Investment Schemes total</b>			
		<b>13,126</b>	<b>74.64</b>
<b>Government Bonds 23.61% (21.99%)</b>			
<b>United Kingdom 23.61% (21.99%)</b>			
UK Treasury Bill 0% 09/10/2023	600,000	600	3.41
UK Treasury Bill 0% 30/10/2023	200,000	199	1.13
UK Treasury Bill 0% 06/11/2023	400,000	398	2.26
UK Treasury Bill 0% 27/11/2023	500,000	496	2.82

	Holding at 5.10.23	Market Value £000's	% of net assets
UK Treasury Bill 0% 11/12/2023	800,000	792	4.51
UK Treasury Bill 0% 08/01/2024	250,000	247	1.41
UK Treasury Bill 0% 29/01/2024	200,000	197	1.12
UK Treasury Bill 0% 12/02/2024	250,000	245	1.39
UK Treasury Bill 0% 19/02/2024	400,000	392	2.23
UK Treasury Bill 0% 11/03/2024	100,000	98	0.56
UK Treasury Bill 0% 02/04/2024	500,000	487	2.77
		<b>4,151</b>	<b>23.61</b>
<b>Government Bonds total</b>			
		<b>4,151</b>	<b>23.61</b>
<b>Forward Foreign Currency Contracts (0.32)% ((0.05)%)</b>			
Buy CAD 452,000 Sell GBP 270,298 26/10/2023		0	0.00
Buy CHF 55,000 Sell GBP 49,744 26/10/2023		0	0.00
Buy DKK 115,000 Sell GBP 13,365 26/10/2023		0	0.00
Buy EUR 225,000 Sell GBP 195,762 26/10/2023		(1)	(0.01)
Buy JPY 28,525,000 Sell GBP 156,807 26/10/2023		2	0.01
Buy SEK 241,000 Sell GBP 17,551 26/10/2023		0	0.00
Buy SGD 690,000 Sell GBP 409,193 26/10/2023		6	0.03
Buy USD 108,000 Sell GBP 87,972 26/10/2023		1	0.01
Sell EUR 938,000 Buy GBP 813,228 26/10/2023		0	0.00
Sell SGD 690,000 Buy GBP 409,676 26/10/2023		(5)	(0.03)
Sell USD 65,000 Buy GBP 53,559 26/10/2023		0	0.00
Sell USD 3,923,340 Buy GBP 3,173,350 26/10/2023		(59)	(0.33)
<b>Forward Foreign Currency Contracts total</b>			
		<b>(56)</b>	<b>(0.32)</b>
<b>Futures (0.53)% ((0.47)%)</b>			
Australia 10 Year Bond December 2023	1	(2)	(0.01)
Canada 10 Year Bond December 2023	1	(2)	(0.01)
DAX Mini Index December 2023	(3)	10	0.06
Euro-Bund December 2023	6	(18)	(0.10)
EURO STOXX 50 Index December 2023	8	(9)	(0.05)
FTSE 100 Index December 2023	1	0	0.00
Long Gilt December 2023	2	(7)	(0.04)

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Micro S&P 500 Emini Index December 2023	6	(1)	(0.01)	US 5 Year Note December 2023	14	(10)	(0.06)
MSCI Emerging Markets Index December 2023	3	(6)	(0.04)	US 10 Year Note December 2023	16	(30)	(0.17)
TOPIX Mini Index December 2023	26	(18)	(0.10)	<b>Futures total</b>		<b>(93)</b>	<b>(0.53)</b>
				<b>Portfolio of investments</b>		<b>17,128</b>	<b>97.40</b>
				<b>Net other assets</b>		<b>458</b>	<b>2.60</b>
				<b>Net assets attributable to shareholders</b>		<b>17,586</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 12).



# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital losses	2		(355)		(2,111)
Revenue	3	459		200	
Expenses	4	(34)		(53)	
Net revenue before taxation		<b>425</b>		<b>147</b>	
Taxation	5	-		-	
Net revenue after taxation			<b>425</b>		<b>147</b>
<b>Total return before distributions</b>			<b>70</b>		<b>(1,964)</b>
Distributions	6		(425)		(147)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(355)</b>		<b>(2,111)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		17,247		22,339
Amounts receivable on issue of shares	7,645		3,732	
Amounts payable on cancellation of shares	(7,427)		(6,857)	
		<b>218</b>		<b>(3,125)</b>
Change in net assets attributable to shareholders from investment activities		(355)		(2,111)
Retained distribution on Accumulation shares		476		144
<b>Closing net assets attributable to shareholders</b>		<b>17,586</b>		<b>17,247</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			17,296		16,936
<b>Current assets</b>					
Debtors	8		75		404
Cash and bank balances	9		440		301
<b>Total assets</b>			<b>17,811</b>		<b>17,641</b>
<b>Liabilities</b>					
Investment liabilities			(168)		(135)
<b>Creditors</b>					
Other creditors	10		(57)		(259)
<b>Total liabilities</b>			<b>(225)</b>		<b>(394)</b>
<b>Net assets attributable to shareholders</b>			<b>17,586</b>		<b>17,247</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Global Multi-Asset Cautious Portfolio (formerly Schroder Tactical Portfolio 3) are disclosed on pages 9 to 10.

### 2 Net capital losses

The net capital losses during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	(278)	(1,297)
Derivative contracts	(171)	(342)
Forward foreign currency contracts	101	(565)
Foreign currency (losses)/gains	(7)	91
Annual management charge rebates	-	2
<b>Net capital losses</b>	<b>(355)</b>	<b>(2,111)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
UK dividends	35	-
Franked distributions	81	75
Interest distributions	207	82
Interest on debt securities	136	30
Bank interest	13	1
Net revenue return from derivative contracts	(15)	10
Annual management charge rebates	2	2
<b>Total revenue</b>	<b>459</b>	<b>200</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	34	53
<b>Total expenses</b>	<b>34</b>	<b>53</b>

1 Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £12,572).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 5 Taxation

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

#### (a) Factors affecting the total tax charge for the year

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies 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>425</b>	<b>147</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	85	29
<b>Effects of:</b>		
Revenue not subject to corporation tax	(16)	(15)
Interest distributions deductible for tax purposes	(69)	(14)
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

### 6 Distributions

The distributions, which are on an effective yield basis, take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2023	2022
	£000's	£000's
Final Interest distribution	476	144
Add: Revenue deducted on cancellation of shares	52	10
Deduct: Revenue received on issue of shares	(103)	(7)
<b>Distributions</b>	<b>425</b>	<b>147</b>

Details of the distributions per share are set out in the Distribution Table on page 26.

### 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's 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	4,859	(103)	4,063	(82)
Level 2: Observable market data	12,437	(65)	12,873	(53)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>17,296</b>	<b>(168)</b>	<b>16,936</b>	<b>(135)</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 8 Debtors

	5.10.23	5.10.22
	£000's	£000's
Amounts receivable for issue of shares	20	90
Sales awaiting settlement	55	314
<b>Total debtors</b>	<b>75</b>	<b>404</b>

### 9 Cash and bank balances

	5.10.23	5.10.22
	£000's	£000's
Cash and bank balances	192	155
Amounts held at futures clearing houses and brokers	248	146
<b>Total cash and bank balances</b>	<b>440</b>	<b>301</b>

### 10 Other creditors

	5.10.23	5.10.22
	£000's	£000's
Amounts payable for cancellation of shares	51	48
Purchases awaiting settlement	-	164
Accrued expenses	6	47
<b>Total other creditors</b>	<b>57</b>	<b>259</b>

### 11 Contingent liabilities

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

### 12 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £2,236 (2022 – £3,692) are disclosed under Net capital losses and Revenue in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 0.01% (2022 – 0.01%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £285,468 (2022 – £156,271) is included under Revenue in the Notes to the Accounts.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 13 Share classes

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

The Fund may invest up to 100% of its assets in collective investment schemes. The maximum level of management fee that may be charged to the Fund for these underlying funds is an annual percentage rate of 3% of their net asset value (plus value added tax, if any).

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 14.

The distributions per share class are given in the Distribution Table on page 26.

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £1,712,800 (2022 - £1,680,100).

#### 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 Authorised Corporate Director 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

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in Sterling. As a result, the Fund has no material exposure to currency movements.

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.

#### Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

#### 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.

The Fund may invest in fixed rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2023				2022			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar	1	-	-	1	-	-	733	733
Brazilian real	-	-	-	-	-	-	194	194
Canadian dollar	2	-	271	273	-	-	184	184
Danish krone	-	-	13	13	-	-	14	14
Euro	13	-	734	747	22	-	582	604
Indian rupee	-	-	-	-	-	-	182	182
Japanese yen	9	-	158	167	1	-	262	263
Singapore dollar	-	-	415	415	-	-	-	-
South African rand	-	-	-	-	-	-	180	180
Sterling	385	4,151	13,768	18,304	231	3,793	14,956	18,980
Swedish krona	-	-	18	18	-	-	19	19
Swiss franc	-	-	50	50	-	-	59	59
US dollar	30	-	3,497	3,527	47	-	3,418	3,465

Currency	2023				2022			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Australian dollar	-	-	2	2	-	-	720	720
Brazilian real	-	-	-	-	-	-	194	194
Canadian dollar	-	-	2	2	-	-	609	609
Euro	-	-	841	841	-	-	45	45
Indian rupee	-	-	-	-	-	-	182	182
Japanese yen	-	-	18	18	-	-	-	-
Singapore dollar	-	-	415	415	-	-	-	-
South African rand	-	-	-	-	-	-	180	180
Sterling	-	-	1,264	1,264	-	-	2,558	2,558
US dollar	-	-	3,387	3,387	-	-	3,142	3,142

At the year end, if changes in interest rates resulted in a 10% increase or decrease in the net assets of the fund, then the net assets would increase or decrease by approximately £459,100 (2022 - £409,400).

### 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 and amounts held or overdrawn at futures clearing houses and brokers 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.

### Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Global risk exposure

#### Commitment approach

When using derivatives, the Authorised Corporate Director 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 5 October 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 5 October	Lowest	Highest	Average	Leverage 5 October
	14.91%	36.91%	25.32%	30.31%	13.73%	41.23%	29.84%	19.26%

### 15 Debt security credit analysis

	2023 £000's	2022 £000's
Investment grade securities	4,151	3,793
<b>Total debt securities</b>	<b>4,151</b>	<b>3,793</b>

### 16 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>						
Bonds	8,022	-	-	8,022	-	-
Equities	80	-	-	80	-	-
Collective Investment Schemes	8,038	-	-	8,038	-	-
	16,140	-	-	16,140		
<b>Sales</b>						
Bonds	7,805	-	-	7,805	-	-
Equities	153	-	-	153	-	-
Collective Investment Schemes	7,679	-	-	7,679	-	-
	15,637	-	-	15,637		
Total cost as a % of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Bonds	10,388	-	-	10,388	-	-
Equities	415	-	-	415	-	-
Collective Investment Schemes	6,126	-	-	6,126	-	-
	16,929	-	-	16,929		

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Sales</b>						
Bonds	14,464	-	-	14,464	-	-
Equities	425	-	-	425	-	-
Collective Investment Schemes	5,769	-	-	5,769	-	-
	20,658	-	-	20,658		
Total cost as a % of the Fund's average net asset value (%)		-	-			

### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was Nil (2021 - Nil).

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.

## 17 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares in issue 5.10.23
F Accumulation shares	32,679,334	14,279,999	(13,888,668)	33,070,665

## 18 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>ANZ</b>										
2023	(3)	-	-	-	-	-	-	-	-	(3)
2022	-	-	-	-	-	-	-	-	-	-
<b>Barclays</b>										
2023	(12)	-	-	-	-	-	-	-	-	(12)
2022	-	-	-	-	-	-	-	-	-	-
<b>BNP Paribas</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(3)	-	-	-	-	-	-	-	-	(3)
<b>Citigroup</b>										
2023	(2)	-	-	-	-	-	-	-	-	(2)
2022	1	-	-	-	-	-	-	-	-	1
<b>Deutsche Bank</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	5	-	-	-	-	-	-	-	-	5
<b>Goldman Sachs</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(1)	-	-	-	-	-	-	-	-	(1)
<b>J.P. Morgan</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	22	-	-	-	-	-	-	-	-	22



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>Morgan Stanley</b>										
2023	(35)	-	-	-	-	-	-	-	-	(35)
2022	(7)	-	-	-	-	-	-	-	-	(7)
<b>State Street</b>										
2023	1	-	-	-	-	-	-	-	-	1
2022	-	-	-	-	-	-	-	-	-	-
<b>UBS</b>										
2023	(5)	-	-	-	-	-	-	-	-	(5)
2022	(25)	-	-	-	-	-	-	-	-	(25)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2022 - Nil).

### 19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2022, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	56.63p	53.16p	6.53

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2023

**Group 2** Shares purchased on or after 6 October 2023

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.4404p	-	1.4404p	0.4408p
Group 2	0.6929p	0.7475p	1.4404p	0.4408p

## Equalisation

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

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

# Schroder Global Multi-Asset Moderately Cautious Portfolio (formerly Schroder Tactical Portfolio 4)

## Investment objective and policy

Schroder Global Multi Asset Moderately Cautious Portfolio (formerly Schroder Tactical Portfolio 4) (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 40% to 55% of that of global stock markets (represented by the MSCI All Country World index).

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund is part of the Schroder Global Multi-Asset Portfolio range, which offers five funds with different expected combinations of investment risk and return. The Fund aims to take a moderately cautious approach, which means that it aims to be the second lowest risk fund in this range, with more 'lower risk' assets (such as certain fixed income securities) and fewer 'higher risk' assets (such as certain equities) than funds in the range with a higher risk profile.

The Fund may invest between 20 and 60% of its assets, directly or indirectly, in equity and equity-related securities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

*With effect from 2 May 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 40% to 55% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCo Schroder Tactical Portfolio range, which offers five funds with different expected combinations of investment risk and return. This Fund is risk level 4, which aims to be the second lowest risk fund in this range with the second lowest equity weighting.

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

The reference to "tactical" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager takes a tactical view on asset classes over shorter time periods in order to manage exposure to different asset classes with the objective of adding value.

## Additional Information

The number in the Fund's name reflects the risk level of the fund, which is in line with the profiling classification. Each client completes a risk profiling questionnaire with their adviser when choosing the investment strategy most appropriate for their needs, which results in a risk profiling classification. This risk classification can range between 1 and 10, with 10 being the highest.

## Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 20-60% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

## Significant events

Effective from 2 May 2023, Schroder Tactical Portfolio 4 Fund changed its name to Schroder Global Multi Assets Moderately Cautious Portfolio and changed its investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 1.71%. In comparison, Investment Association Mixed Investment 20-60% Shares Sector Average generated a total return of 2.11%<sup>1</sup>.**

This period has been characterised by persistent inflation, a recession missing in action, and an artificial intelligence revolution driving equity markets.

At the start of the period the portfolio was cautious on equities, remaining underweight due to concerns over higher inflation and expectations for corporate earnings contributing to recessionary risks. This stance was maintained as we entered the spring of 2023, but as the first half of the year progressed the portfolio's underweight positions in US and Eurozone equities were reduced and we moved toward neutral position. As we moved in to the second half of the year the portfolio favoured US smaller companies versus larger US companies (represented by the Russell 2000 index and the S&P 500 index respectively) at the start of Q3. There were encouraging signs that a US recession had been avoided, at least in the medium term, and we believed this would give smaller US companies a chance to outperform larger companies. In order to diversify this position, the portfolios held an allocation to US Financials stocks. Elsewhere, we favoured Japanese equities against German equities. Economic conditions in Japan have strengthened while there are signs of a deterioration in Germany.

Within fixed income, the first quarter of 2023 saw us take a positive stance on credit against a backdrop of attractive valuations and positive yields. To this end, an overweight position in European investment grade debt was added as the European Central Bank kept interest rates on hold, while growth remained supportive. Many emerging markets had also made greater progress on taming inflation than their developed counterparts, allowing interest rates to fall, so the portfolio also held a position in emerging market debt (local currency). The portfolio is currently neutral on government bonds and we prefer the shorter end of the yield curve. The longer end remains unattractive given the ongoing level of inversion (where short-term bonds have higher yield than long-term bonds), and medium-term concerns over government debt levels and inflation.

Within alternatives, the portfolio held a position in commodities as supply-side pressures contributed to a positive outlook for the asset class.

**Head of UK Multi-Asset Investments:  
Philip Chandler, CFA**



Joined Schroders in 2003 and is based in London

Fund manager in the Benchmark Relative team, focusing on UK pension and insurance clients. Member of the Duration risk premia team of the Strategic Investment Group Multi-Asset (SIGMA)

Initially joined Schroders as a portfolio manager in the Fixed Income team, with responsibility for global rates, money markets and then Gilt and European government portfolios. Transferred to the Multi-Asset team in 2009

CFA Charterholder

Degree in Philosophy, Politics and Economics, University of Oxford

**Multi-Asset Fund Manager:  
Tara Jameson, CFA**



Tara is a Multi-Asset Fund Manager at Schroders, focusing on benchmark relative portfolio's. She is the head of the Credit research group in the Strategic Investment Group Multi-Asset (SIGMA)

She joined Schroders in 2014 and is based in London

Tara was a Solutions Manager at Schroders from 2015 to 2018, which involved designing and constructing systematic risk management and option strategies

She was a Business analyst at Schroders from 2014 to 2015, for the UK Institutional Business

CFA Charterholder; MA in Natural Sciences (Chemistry) from Jesus College, Cambridge University

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	54.43	59.48	54.31
Return before operating charges*	1.05	(4.89)	5.44
Operating charges	(0.11)	(0.16)	(0.27)
<b>Return after operating charges*</b>	<b>0.94</b>	<b>(5.05)</b>	<b>5.17</b>
Distributions**	(1.24)	(0.54)	(0.38)
Retained distributions**	1.24	0.54	0.38
<b>Closing net asset value</b>	<b>55.37</b>	<b>54.43</b>	<b>59.48</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	1.73	(8.49)	9.52
<b>Other information</b>			
Closing net asset value (£000's)	38,252	41,588	49,103
Closing number of shares	69,090,228	76,402,117	82,560,621
Operating charges (%)	0.20	0.27	0.26
Direct transaction costs (%)	-	-	-
<b>Prices</b>			
Highest dealing price	57.56p	61.66p	60.71p
Lowest dealing price	53.03p	53.47p	53.45p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 86.55% (83.40%)</b>			
<b>Commodity Funds 0.98% (0.52%)</b>			
iShares Diversified Commodity Swap Fund USD (Acc) Share Class	68,321	374	0.98
		<b>374</b>	<b>0.98</b>
<b>Emerging Markets Fixed Interest Funds 0.00% (1.02%)</b>			
<b>European Fixed Interest Funds 3.00% (0.00%)</b>			
iShares Core € Corp Bond Fund EUR (Dist) Share Class	11,682	1,148	3.00
		<b>1,148</b>	<b>3.00</b>
<b>Global Equity Funds 28.31% (25.23%)</b>			
Schroder Global Equity Component Fund - Class X Accumulation GBP†	1,362,176	1,139	2.98
Schroder Global Equity Fund - Class X Accumulation GBP†	7,288,001	4,841	12.66
Schroder Sustainable Multi- Factor Equity Fund - Class X Accumulation GBP†	6,839,290	4,845	12.67
		<b>10,825</b>	<b>28.31</b>
<b>Global Fixed Interest Funds 45.94% (46.28%)</b>			
Schroder Global Corporate Bond Managed Credit Component Fund - Class X Accumulation GBP†	9,255,637	4,750	12.42
Schroder Global Sovereign Bond Tracker Component Fund - Class X Accumulation GBP†	15,432,318	7,048	18.42
Schroder ISF Global Corporate Bond Fund - Class I Accumulation USD†	484,630	5,777	15.10
		<b>17,575</b>	<b>45.94</b>
<b>UK Equity Funds 8.32% (10.35%)</b>			
Schroder Prime UK Equity Fund - Class X Accumulation GBP†	2,397,364	3,184	8.32
		<b>3,184</b>	<b>8.32</b>
<b>Collective Investment Schemes total</b>		<b>33,106</b>	<b>86.55</b>
<b>Government Bonds 11.93% (14.17%)</b>			
<b>United Kingdom 11.93% (14.17%)</b>			
UK Treasury Bill 0% 30/10/2023	1,700,000	1,694	4.43

	Holding at 5.10.23	Market Value £000's	% of net assets
UK Treasury Bill 0% 06/11/2023	1,400,000	1,394	3.65
UK Treasury Bill 0% 18/12/2023	200,000	198	0.52
UK Treasury Bill 0% 15/01/2024	700,000	690	1.80
UK Treasury Bill 0% 29/01/2024	300,000	295	0.77
UK Treasury Bill 0% 25/03/2024	300,000	292	0.76
		<b>4,563</b>	<b>11.93</b>
<b>Government Bonds total</b>		<b>4,563</b>	<b>11.93</b>
<b>Forward Foreign Currency Contracts (0.25)% (0.02%)</b>			
Buy CAD 989,000 Sell GBP 591,426 26/10/2023		1	0.00
Buy CHF 222,000 Sell GBP 200,786 26/10/2023		(1)	0.00
Buy DKK 404,000 Sell GBP 46,953 26/10/2023		0	0.00
Buy EUR 526,000 Sell GBP 457,581 26/10/2023		(1)	0.00
Buy JPY 106,485,000 Sell GBP 585,154 26/10/2023		6	0.01
Buy SEK 788,000 Sell GBP 57,387 26/10/2023		1	0.00
Buy SGD 1,607,000 Sell GBP 953,006 26/10/2023		14	0.04
Buy USD 235,000 Sell GBP 190,910 26/10/2023		3	0.01
Sell EUR 1,752,000 Buy GBP 1,518,951 26/10/2023		(1)	0.00
Sell SGD 1,607,000 Buy GBP 954,130 26/10/2023		(13)	(0.04)
Sell USD 6,886,700 Buy GBP 5,571,408 26/10/2023		(102)	(0.27)
<b>Forward Foreign Currency Contracts total</b>		<b>(93)</b>	<b>(0.25)</b>
<b>Futures (0.36)% ((0.30)%)</b>			
DAX Mini Index December 2023	(6)	19	0.05
Euro-Bund December 2023	5	(15)	(0.04)
EURO STOXX 50 Index December 2023	25	(30)	(0.08)
FTSE 100 Index December 2023	2	0	0.00
Long Gilt December 2023	1	(4)	(0.01)
MSCI Emerging Markets Index December 2023	11	(23)	(0.06)
S&P 500 Emini Index December 2023	2	(7)	(0.02)

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets
TOPIX Mini Index December 2023	74	(45)	(0.12)
US 5 Year Note December 2023	11	(8)	(0.02)

	Holding at 5.10.23	Market Value £000's	% of net assets
US 10 Year Note December 2023	13	(24)	(0.06)
<b>Futures total</b>		<b>(137)</b>	<b>(0.36)</b>
<b>Portfolio of investments</b>		<b>37,439</b>	<b>97.87</b>
<b>Net other assets</b>		<b>813</b>	<b>2.13</b>
<b>Net assets attributable to shareholders</b>		<b>38,252</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 12).



# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital losses	2		(158)		(4,280)
Revenue	3	1,062		566	
Expenses	4	(83)		(119)	
Net revenue before taxation		<b>979</b>		<b>447</b>	
Taxation	5	(136)		(27)	
Net revenue after taxation			<b>843</b>		<b>420</b>
<b>Total return before distributions</b>			<b>685</b>		<b>(3,860)</b>
Distributions	6		(843)		(421)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(158)</b>		<b>(4,281)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		41,588		49,103
Amounts receivable on issue of shares	5,801		4,651	
Amounts payable on cancellation of shares	(9,838)		(8,294)	
		<b>(4,037)</b>		<b>(3,643)</b>
Change in net assets attributable to shareholders from investment activities		(158)		(4,281)
Retained distribution on Accumulation shares		859		409
<b>Closing net assets attributable to shareholders</b>		<b>38,252</b>		<b>41,588</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			37,713		40,702
<b>Current assets</b>					
Debtors	8		138		1,066
Cash and bank balances	9		841		680
<b>Total assets</b>			<b>38,692</b>		<b>42,448</b>
<b>Liabilities</b>					
Investment liabilities			(274)		(243)
<b>Creditors</b>					
Other creditors	10		(166)		(617)
<b>Total liabilities</b>			<b>(440)</b>		<b>(860)</b>
<b>Net assets attributable to shareholders</b>			<b>38,252</b>		<b>41,588</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Global Multi-Asset Cautious Portfolio (formerly Schroder Tactical Portfolio 4) are disclosed on pages 9 to 10.

### 2 Net capital losses

The net capital losses during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	(258)	(2,725)
Derivative contracts	3	(958)
Forward foreign currency contracts	113	(704)
Foreign currency (losses)/gains	(16)	103
Annual management charge rebates	-	4
<b>Net capital losses</b>	<b>(158)</b>	<b>(4,280)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
UK dividends	109	-
Franked distributions	298	315
Unfranked distributions	-	1
Interest distributions	446	189
Interest on debt securities	188	48
Bank interest	27	2
Net revenue return from derivative contracts	(12)	6
Annual management charge rebates	6	5
<b>Total revenue</b>	<b>1,062</b>	<b>566</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	83	118
	<b>83</b>	<b>118</b>
<b>Other expenses:</b>		
Interest payable	-	1
<b>Total expenses</b>	<b>83</b>	<b>119</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £9,648).

### 5 Taxation

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

	2023	2022
	£000's	£000's
Corporation tax	136	27
<b>Total current tax (Note 5(b))</b>	<b>136</b>	<b>27</b>

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Corporation tax has been provided for at a rate of 20% (2022 – 20%).

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies of 20% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023 £000's	2022 £000's
<b>Net revenue before taxation</b>	<b>979</b>	<b>447</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	196	89
<b>Effects of:</b>		
Revenue not subject to corporation tax	(60)	(63)
Tax on capital items	-	1
<b>Total tax charge for the year (Note 5(a))</b>	<b>136</b>	<b>27</b>

## 6 Distributions

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

	2023 £000's	2022 £000's
Final Dividend distribution	859	409
Add: Revenue deducted on cancellation of shares	52	19
Deduct: Revenue received on issue of shares	(68)	(7)
<b>Distributions</b>	<b>843</b>	<b>421</b>
Net revenue after taxation	843	420
Tax on capital items	-	1
<b>Distributions</b>	<b>843</b>	<b>421</b>

Details of the distributions per share are set out in the Distribution Table on page 42.

## 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's 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	6,104	(156)	6,537	(125)
Level 2: Observable market data	31,609	(118)	34,165	(118)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>37,713</b>	<b>(274)</b>	<b>40,702</b>	<b>(243)</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	137	103
Sales awaiting settlement	-	962
Accrued revenue	1	1
<b>Total debtors</b>	<b>138</b>	<b>1,066</b>

### 9 Cash and bank balances

	2023	2022
	£000's	£000's
Cash and bank balances	454	328
Amounts held at futures clearing houses and brokers	387	352
<b>Total cash and bank balances</b>	<b>841</b>	<b>680</b>

### 10 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	17	34
Purchases awaiting settlement	-	465
Accrued expenses	13	91
Corporation tax payable	136	27
<b>Total other creditors</b>	<b>166</b>	<b>617</b>

### 11 Contingent liabilities

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

### 12 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £6,123 (2022 – £8,550) are disclosed under Net capital losses and Revenue in the Notes to the Accounts. Amounts due from the Authorised Corporate Director at the balance sheet date of £569 (2022 – £681) are included under Debtors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies payable through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 – Nil).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £743,385 (2022 – £503,114) is included under Revenue in the Notes to the Accounts.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 13 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 30.

The distributions per share class are given in the Distribution Table on page 42.

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £3,743,900 (2022 - £4,045,900).

#### 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 Authorised Corporate Director 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
Australian dollar	-	33
Canadian dollar	592	(1,016)
Danish krone	47	47
Euro	73	1,474
Japanese yen	564	886
Singapore dollar	1	-
Sterling	36,067	37,679
Swedish krona	59	63
Swiss franc	200	199
US dollar	649	2,223

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 shareholders will increase or decrease by approximately £218,500 (2022 - £390,900).

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.

#### Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

#### 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.

The Fund may invest in fixed rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

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

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2023				2022			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar	-	-	-	-	-	-	1,758	1,758
Brazilian real	-	-	-	-	-	-	476	476
Canadian dollar	-	-	592	592	-	-	445	445
Danish krone	-	-	47	47	-	-	47	47
Euro	14	-	1,623	1,637	24	-	1,586	1,610
Indian rupee	-	-	-	-	-	-	445	445
Japanese yen	19	-	591	610	3	-	964	967
Singapore dollar	-	-	968	968	-	-	-	-
South African rand	-	-	-	-	-	-	438	438
Sterling	767	4,563	33,990	39,320	495	5,893	38,022	44,410
Swedish krona	-	-	59	59	-	-	63	63
Swiss franc	-	-	200	200	-	-	199	199
US dollar	41	-	6,344	6,385	158	-	7,575	7,733

Currency	2023				2022			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Australian dollar	-	-	-	-	-	-	1,725	1,725
Brazilian real	-	-	-	-	-	-	476	476
Canadian dollar	-	-	-	-	-	-	1,461	1,461
Euro	-	-	1,564	1,564	-	-	136	136
Indian rupee	-	-	-	-	-	-	445	445
Japanese yen	-	-	46	46	-	-	81	81
Singapore dollar	-	-	967	967	-	-	-	-
South African rand	-	-	-	-	-	-	438	438
Sterling	-	-	3,253	3,253	-	-	6,731	6,731
US dollar	-	-	5,736	5,736	-	-	5,510	5,510

At the year end, if changes in interest rates resulted in a 10% increase or decrease in the net assets of the fund, then the net assets would increase or decrease by approximately £540,400 (2022 - £657,300).

### 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 and amounts held or overdrawn at futures clearing houses and brokers 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.

### Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Global risk exposure

#### Commitment approach

When using derivatives, the Authorised Corporate Director 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 5 October 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 5 October	Lowest	Highest	Average	Leverage 5 October
14.72%	28.19%	20.95%	19.31%	18.27%	43.86%	31.47%	19.25%

### 15 Debt security credit analysis

	2023 £000's	2022 £000's
Investment grade securities	4,563	5,893
<b>Total debt securities</b>	<b>4,563</b>	<b>5,893</b>

### 16 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>						
Bonds	9,888	-	-	9,888	-	-
Equities	187	-	-	187	-	-
Collective Investment Schemes	10,172	-	-	10,172	-	-
	20,247	-	-	20,247		
<b>Sales</b>						
Bonds	11,412	-	-	11,412	-	-
Equities	361	-	-	361	-	-
Collective Investment Schemes	12,118	-	-	12,118	-	-
	23,891	-	-	23,891		
Total cost as a % of the Fund's average net asset value (%)						
		-	-			

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Bonds	18,269	-	-	18,269	-	-
Equities	1,826	-	-	1,826	-	-
Collective Investment Schemes	13,691	-	-	13,691	-	-
	33,786	-	-	33,786		
<b>Sales</b>						
Bonds	26,164	-	-	26,164	-	-
Equities	1,361	-	-	1,361	-	-
Collective Investment Schemes	9,895	-	-	9,895	-	-
	37,420	-	-	37,420		
Total cost as a % of the Fund's average net asset value (%)						
		-	-			

### Average portfolio dealing spread

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

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.

## 17 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares in issue 5.10.23
F Accumulation shares	76,402,117	10,409,143	(17,721,032)	69,090,228

## 18 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>ANZ</b>										
2023	(4)	-	-	-	-	-	-	-	-	(4)
2022	-	-	-	-	-	-	-	-	-	-
<b>Barclays</b>										
2023	(20)	-	-	-	-	-	-	-	-	(20)
2022	-	-	-	-	-	-	-	-	-	-
<b>BNP Paribas</b>										
2023	1	-	-	-	-	-	-	-	-	1
2022	(10)	-	-	-	-	-	-	-	-	(10)
<b>Citigroup</b>										
2023	(1)	-	-	-	-	-	-	-	-	(1)
2022	4	-	-	-	-	-	-	-	-	4
<b>Deutsche Bank</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	14	-	-	-	-	-	-	-	-	14



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>Goldman Sachs</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(3)	-	-	-	-	-	-	-	-	(3)
<b>J.P. Morgan</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	60	-	-	-	-	-	-	-	-	60
<b>Morgan Stanley</b>										
2023	(58)	-	-	-	-	-	-	-	-	(58)
2022	(5)	-	-	-	-	-	-	-	-	(5)
<b>Standard Chartered</b>										
2023	(3)	-	-	-	-	-	-	-	-	(3)
2022	1	-	-	-	-	-	-	-	-	1
<b>State Street</b>										
2023	5	-	-	-	-	-	-	-	-	5
2022	-	-	-	-	-	-	-	-	-	-
<b>UBS</b>										
2023	(13)	-	-	-	-	-	-	-	-	(13)
2022	(56)	-	-	-	-	-	-	-	-	(56)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2022 – Nil).

### 19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	59.18p	55.34p	6.94

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2023

**Group 2** Shares purchased on or after 6 October 2023

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.2434p	–	1.2434p	0.5350p
Group 2	0.6335p	0.6099p	1.2434p	0.5350p

## Equalisation

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

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

# Schroder Global Multi-Asset Balanced Portfolio (formerly Schroder Tactical Portfolio 5)

## Investment objective and policy

Schroder Global Multi-Asset Balanced Portfolio (formerly Schroder Tactical Portfolio 5) (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 50% to 65% of that of global stock markets (represented by the MSCI All Country World index).

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund is part of the Schroder Global Multi-Asset Portfolio range, which offers five funds with different expected combinations of investment risk and return. The Fund aims to take a balanced approach, which means that it aims to be the third highest risk fund in this range, with a balance of 'lower risk' assets (such as certain fixed income securities) and 'higher risk' assets (such as certain equities). The Fund may invest between 20 and 60% of its assets, directly or indirectly, in equity and equity-related securities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

*With effect from 2 May 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 50% to 65% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Tactical Portfolio range, which offers five funds with different expected combinations of investment risk and return. This Fund is risk level 5, which aims to be the third highest risk fund in this range with the third highest equity weighting.

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range. The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

The reference to "tactical" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager takes a tactical view on asset classes over shorter time periods in order to manage exposure to different asset classes with the objective of adding value.

## Additional Information

The number in the Fund's name reflects the risk level of the fund, which is in line with the profiling classification. Each client completes a risk profiling questionnaire with their adviser when choosing the investment strategy most appropriate for their needs, which results in a risk profiling classification. This risk classification can range between 1 and 10, with 10 being the highest.

## Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 20-60% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

## Significant events

Effective from 2 May 2023, Schroder Tactical Portfolio 5 Fund changed its name to Schroder Global Multi-Asset Balanced Portfolio and changed its investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 2.73%. In comparison, Investment Association Mixed Investment 20-60% Shares Sector Average generated a total return of 2.11%<sup>1</sup>.**

This period has been characterised by persistent inflation, a recession missing in action, and an artificial intelligence revolution driving equity markets.

At the start of the period the portfolio was cautious on equities, remaining underweight due to concerns over higher inflation and expectations for corporate earnings contributing to recessionary risks. This stance was maintained as we entered the spring of 2023, but as the first half of the year progressed the portfolio's underweight positions in US and Eurozone equities were reduced and we moved toward neutral position. As we moved in to the second half of the year the portfolio favoured US smaller companies versus larger US companies (represented by the Russell 2000 index and the S&P 500 index respectively) at the start of Q3. There were encouraging signs that a US recession had been avoided, at least in the medium term, and we believed this would give smaller US companies a chance to outperform larger companies. In order to diversify this position, the portfolios held an allocation to US Financials stocks. Elsewhere, we favoured Japanese equities against German equities. Economic conditions in Japan have strengthened while there are signs of a deterioration in Germany.

Within fixed income, the first quarter of 2023 saw us take a positive stance on credit against a backdrop of attractive valuations and positive yields. To this end, an overweight position in European investment grade debt was added as the European Central Bank kept interest rates on hold, while growth remained supportive. Many emerging markets had also made greater progress on taming inflation than their developed counterparts, allowing interest rates to fall, so the portfolio also held a position in emerging market debt (local currency). The portfolio is currently neutral on government bonds and we prefer the shorter end of the yield curve. The longer end remains unattractive given the ongoing level of inversion (where short-term bonds have higher yield than long-term bonds), and medium-term concerns over government debt levels and inflation.

Within alternatives, the portfolio held a position in commodities as supply-side pressures contributed to a positive outlook for the asset class.

**Head of UK Multi-Asset Investments:  
Philip Chandler, CFA**



Joined Schroders in 2003 and is based in London

Fund manager in the Benchmark Relative team, focusing on UK pension and insurance clients. Member of the Duration risk premia team of the Strategic Investment Group Multi-Asset (SIGMA)

Initially joined Schroders as a portfolio manager in the Fixed Income team, with responsibility for global rates, money markets and then Gilt and European government portfolios. Transferred to the Multi-Asset team in 2009

CFA Charterholder

Degree in Philosophy, Politics and Economics, University of Oxford

**Multi-Asset Fund Manager:  
Tara Jameson, CFA**



Tara is a Multi-Asset Fund Manager at Schroders, focusing on benchmark relative portfolio's. She is the head of the Credit research group in the Strategic Investment Group Multi-Asset (SIGMA)

She joined Schroders in 2014 and is based in London

Tara was a Solutions Manager at Schroders from 2015 to 2018, which involved designing and constructing systematic risk management and option strategies

She was a Business analyst at Schroders from 2014 to 2015, for the UK Institutional Business

CFA Charterholder; MA in Natural Sciences (Chemistry) from Jesus College, Cambridge University

<sup>1</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

## Schroder Global Multi-Asset Balanced Portfolio

### Risk and reward indicator



The risk category is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	56.07	60.78	54.28
Return before operating charges*	1.66	(4.55)	6.78
Operating charges	(0.12)	(0.16)	(0.28)
<b>Return after operating charges*</b>	<b>1.54</b>	<b>(4.71)</b>	<b>6.50</b>
Distributions**	(1.27)	(0.63)	(0.45)
Retained distributions**	1.27	0.63	0.45
<b>Closing net asset value</b>	<b>57.61</b>	<b>56.07</b>	<b>60.78</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	2.75	(7.75)	11.97
<b>Other information</b>			
Closing net asset value (£000's)	66,073	67,592	74,110
Closing number of shares	114,684,635	120,554,122	121,928,849
Operating charges (%)	0.20	0.27	0.26
Direct transaction costs (%)	-	-	-
<b>Prices</b>			
Highest dealing price	59.77p	63.28p	62.21p
Lowest dealing price	54.60p	54.96p	53.23p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 89.65% (84.03%)</b>			
<b>Commodity Funds 0.85% (0.52%)</b>			
iShares Diversified Commodity Swap Fund USD (Acc) Share Class	102,392	560	0.85
		<b>560</b>	<b>0.85</b>
<b>Emerging Markets Fixed Interest Funds 0.00% (1.02%)</b>			
<b>European Fixed Interest Funds 2.99% (0.00%)</b>			
iShares Core € Corp Bond Fund EUR (Dist) Share Class	20,107	1,976	2.99
		<b>1,976</b>	<b>2.99</b>
<b>Global Equity Funds 34.07% (28.08%)</b>			
Schroder Global Equity Component Fund - Class X Accumulation GBP†	2,412,591	2,018	3.05
Schroder Global Equity Fund - Class X Accumulation GBP†	15,486,382	10,288	15.57
Schroder Sustainable Multi- Factor Equity Fund - Class X Accumulation GBP†	14,405,200	10,205	15.45
		<b>22,511</b>	<b>34.07</b>
<b>Global Fixed Interest Funds 41.79% (40.74%)</b>			
Schroder Global Corporate Bond Managed Credit Component Fund - Class X Accumulation GBP†	17,152,074	8,802	13.32
Schroder Global Sovereign Bond Tracker Component Fund - Class X Accumulation GBP†	21,881,115	9,993	15.12
Schroder ISF Global Corporate Bond Fund - Class I Accumulation USD†	740,149	8,822	13.35
		<b>27,617</b>	<b>41.79</b>
<b>UK Equity Funds 9.95% (13.67%)</b>			
Schroder Prime UK Equity Fund - Class X Accumulation GBP†	4,949,254	6,573	9.95
		<b>6,573</b>	<b>9.95</b>
<b>Collective Investment Schemes total</b>		<b>59,237</b>	<b>89.65</b>
<b>Government Bonds 9.72% (14.69%)</b>			
<b>United Kingdom 9.72% (14.69%)</b>			
UK Treasury Bill 0% 06/11/2023	1,000,000	996	1.51
UK Treasury Bill 0% 27/11/2023	2,100,000	2,084	3.15
UK Treasury Bill 0% 18/12/2023	1,300,000	1,286	1.95

	Holding at 5.10.23	Market Value £000's	% of net assets
UK Treasury Bill 0% 15/01/2024	500,000	493	0.75
UK Treasury Bill 0% 29/01/2024	100,000	98	0.15
UK Treasury Bill 0% 11/03/2024	300,000	293	0.44
UK Treasury Bill 0% 25/03/2024	200,000	195	0.29
UK Treasury Bill 0% 02/04/2024	1,000,000	975	1.48
		<b>6,420</b>	<b>9.72</b>
<b>Government Bonds total</b>		<b>6,420</b>	<b>9.72</b>
<b>Forward Foreign Currency Contracts (0.19)% (0.03%)</b>			
Buy CAD 1,744,000 Sell GBP 1,042,919 26/10/2023		1	0.00
Buy CHF 449,000 Sell GBP 406,094 26/10/2023		(1)	0.00
Buy DKK 715,000 Sell GBP 83,098 26/10/2023		0	0.00
Buy DKK 405,000 Sell GBP 47,112 26/10/2023		0	0.00
Buy EUR 827,000 Sell GBP 719,851 26/10/2023		(3)	(0.01)
Buy JPY 223,523,000 Sell GBP 1,228,326 26/10/2023		12	0.02
Buy SEK 1,794,000 Sell GBP 130,649 26/10/2023		4	0.00
Buy SGD 2,793,000 Sell GBP 1,656,344 26/10/2023		24	0.04
Buy USD 245,000 Sell GBP 201,877 26/10/2023		0	0.00
Sell EUR 2,819,200 Buy GBP 2,444,193 26/10/2023		(1)	0.00
Sell SGD 2,793,000 Buy GBP 1,658,299 26/10/2023		(22)	(0.03)
Sell USD 9,198,500 Buy GBP 7,440,031 26/10/2023		(138)	(0.21)
<b>Forward Foreign Currency Contracts total</b>		<b>(124)</b>	<b>(0.19)</b>
<b>Futures (0.32)% ((0.37)%)</b>			
DAX Mini Index December 2023	(9)	30	0.05
EURO STOXX 50 Index December 2023	53	(63)	(0.10)
FTSE 100 Index December 2023	6	0	0.00
MSCI Emerging Markets Index December 2023	31	(66)	(0.10)
S&P 500 Emini Index December 2023	4	(14)	(0.02)
TOPIX Mini Index December 2023	146	(90)	(0.14)

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets
US 5 Year Note December 2023	14	(10)	(0.01)
<b>Futures total</b>		<b>(213)</b>	<b>(0.32)</b>
<b>Portfolio of investments</b>		<b>65,320</b>	<b>98.86</b>
<b>Net other assets</b>		<b>753</b>	<b>1.14</b>
<b>Net assets attributable to shareholders</b>		<b>66,073</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 12).



# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		370		(6,487)
Revenue	3	1,805		993	
Expenses	4	(142)		(191)	
Net revenue before taxation		<b>1,663</b>		<b>802</b>	
Taxation	5	(216)		(35)	
Net revenue after taxation			<b>1,447</b>		<b>767</b>
<b>Total return before distributions</b>			<b>1,817</b>		<b>(5,720)</b>
Distributions	6		(1,447)		(768)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>370</b>		<b>(6,488)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		67,592		74,110
Amounts receivable on issue of shares	8,110		6,873	
Amounts payable on cancellation of shares	(11,453)		(7,661)	
		<b>(3,343)</b>		<b>(788)</b>
Change in net assets attributable to shareholders from investment activities		370		(6,488)
Retained distribution on Accumulation shares		1,454		758
<b>Closing net assets attributable to shareholders</b>		<b>66,073</b>		<b>67,592</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments		65,728		66,932	
<b>Current assets</b>					
Debtors	8	149		1,250	
Cash and bank balances		868		1,815	
<b>Total assets</b>		<b>66,745</b>		<b>69,997</b>	
<b>Liabilities</b>					
Investment liabilities		(408)		(433)	
<b>Creditors</b>					
Other creditors	9	(264)		(1,972)	
<b>Total liabilities</b>		<b>(672)</b>		<b>(2,405)</b>	
<b>Net assets attributable to shareholders</b>		<b>66,073</b>		<b>67,592</b>	

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Global Multi-Asset Balanced Portfolio (formerly Schroder Tactical Portfolio 5) are disclosed on pages 9 to 10.

### 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	4	(4,074)
Derivative contracts	382	(1,870)
Forward foreign currency contracts	(21)	(618)
Foreign currency gains	5	70
Annual management charge rebates	-	5
<b>Net capital gains/(losses)</b>	<b>370</b>	<b>(6,487)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
UK dividends	205	-
Franked distributions	585	633
Unfranked distributions	1	1
Interest distributions	674	280
Interest on debt securities	284	71
Bank interest	48	4
Net revenue return from derivative contracts	(2)	(4)
Annual management charge rebates	10	8
<b>Total revenue</b>	<b>1,805</b>	<b>993</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	142	190
<b>Other expenses:</b>		
Interest payable	-	1
<b>Total expenses</b>	<b>142</b>	<b>191</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £9,648).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 5 Taxation

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

	2023	2022
	£000's	£000's
Corporation tax	216	35
<b>Total current tax (Note 5(b))</b>	<b>216</b>	<b>35</b>

Corporation tax has been provided for at a rate of 20% (2022 – 20%).

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies 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>1,663</b>	<b>802</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	333	160
<b>Effects of:</b>		
Revenue not subject to corporation tax	(117)	(126)
Tax on capital items	-	1
<b>Total tax charge for the year (Note 5(a))</b>	<b>216</b>	<b>35</b>

### 6 Distributions

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

	2023	2022
	£000's	£000's
Final Dividend distribution	1,454	758
Add: Revenue deducted on cancellation of shares	79	31
Deduct: Revenue received on issue of shares	(86)	(21)
<b>Distributions</b>	<b>1,447</b>	<b>768</b>
Net revenue after taxation	1,447	767
Tax on capital items	-	1
<b>Distributions</b>	<b>1,447</b>	<b>768</b>

Details of the distributions per share are set out in the Distribution Table on page 58.

# Notes to the Accounts

## For the year ended 5 October 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's 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	8,986	(243)	10,978	(252)
Level 2: Observable market data	56,742	(165)	55,954	(181)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>65,728</b>	<b>(408)</b>	<b>66,932</b>	<b>(433)</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

### 8 Debtors

	2023 £000's	2022 £000's
Amounts receivable for issue of shares	147	57
Sales awaiting settlement	-	1,192
Accrued revenue	2	1
<b>Total debtors</b>	<b>149</b>	<b>1,250</b>

### 9 Cash and bank balances

	2023 £000's	2022 £000's
Cash and bank balances	232	1,089
Amounts held at futures clearing houses and brokers	636	726
<b>Total cash and bank balances</b>	<b>868</b>	<b>1,815</b>

### 10 Other creditor

	2023 £000's	2022 £000's
Amounts payable for cancellation of shares	26	818
Purchases awaiting settlement	-	973
Accrued expenses	22	146
Corporation tax payable	216	35
<b>Total other creditors</b>	<b>264</b>	<b>1,972</b>

### 11 Contingent liabilities

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

### 12 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Annual management charge rebates received or receivable from the Authorised Corporate Director of £10,507 (2022 – £13,650) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts. Amounts due from the Authorised Corporate Director at the balance sheet date of £1,014 (2022 – £1,094) are included under Debtors in the Notes to the Accounts.

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

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 – Nil).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £1,282,533 (2022 – £910,785) is included under Revenue in the Notes to the Accounts.

### 13 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 46.

The distributions per share class are given in the Distribution Table on page 58.

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £6,532,000 (2022 - £6,649,900).

#### 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 Authorised Corporate Director 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
Australian dollar	-	67
Canadian dollar	1,044	(1,627)
Danish krone	130	84
Euro	223	2,644
Japanese yen	1,189	2,015
Sterling	60,973	58,868
Swedish krona	134	144
Swiss franc	405	337
US dollar	1,975	5,060

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 shareholders will increase or decrease by approximately £510,000 (2022 - £872,400).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.

### Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

### 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.

The Fund may invest in fixed rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

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

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2023				2022			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar	-	-	-	-	9	-	2,795	2,804
Brazilian real	-	-	-	-	-	-	762	762
Canadian dollar	-	-	1,044	1,044	-	-	733	733
Danish krone	-	-	130	130	-	-	84	84
Euro	9	-	2,722	2,731	27	-	2,626	2,653
Indian rupee	-	-	-	-	-	-	713	713
Japanese yen	38	-	1,241	1,279	8	-	2,140	2,148
Singapore dollar	-	-	1,680	1,680	-	-	-	-
South African rand	-	-	-	-	-	-	706	706
Sterling	764	6,420	59,609	66,793	1,420	9,927	60,221	71,568
Swedish krona	-	-	134	134	-	-	144	144
Swiss franc	-	-	405	405	-	-	337	337
US dollar	57	-	9,585	9,642	351	-	12,331	12,682

Currency	2023				2022			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Australian dollar	-	-	-	-	-	-	2,737	2,737
Brazilian real	-	-	-	-	-	-	762	762
Canadian dollar	-	-	-	-	-	-	2,360	2,360
Euro	-	-	2,508	2,508	-	-	9	9
Indian rupee	-	-	-	-	-	-	713	713
Japanese yen	-	-	90	90	-	-	133	133
Singapore dollar	-	-	1,680	1,680	-	-	-	-
South African rand	-	-	-	-	-	-	706	706
Sterling	-	-	5,820	5,820	-	-	12,700	12,700
US dollar	-	-	7,667	7,667	-	-	7,622	7,622

At the year end, if changes in interest rates resulted in a 10% increase or decrease in the net assets of the fund, then the net assets would increase or decrease by approximately £728,800 (2022 - £1,174,200).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 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 and amounts held or overdrawn at futures clearing houses and brokers 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.

### Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

### Global risk exposure

#### Commitment approach

When using derivatives, the Authorised Corporate Director 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 5 October 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 5 October	Lowest	Highest	Average	Leverage 5 October
	15.66%	29.09%	21.05%	16.41%	20.29%	49.44%	33.77%	23.02%

## 15 Debt security credit analysis

	2023 £000's	2022 £000's
Investment Grade	6,420	9,927
<b>Total debt securities</b>	<b>6,420</b>	<b>9,927</b>

## 16 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>						
Bonds	16,152	-	-	16,152	-	-
Equities	309	-	-	309	-	-
Collective Investment Schemes	20,807	-	-	20,807	-	-
	37,268	-	-	37,268		
<b>Sales</b>						
Bonds	19,956	-	-	19,956	-	-
Equities	589	-	-	589	-	-
Collective Investment Schemes	18,191	-	-	18,191	-	-
	38,736	-	-	38,736		
Total cost as a % of the Fund's average net asset value (%)		-	-			

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Bonds	28,103	-	-	28,103	-	-
Equities	1,425	-	-	1,425	-	-
Collective Investment Schemes	23,662	-	-	23,662	-	-
	53,190	-	-	53,190		
<b>Sales</b>						
Bonds	38,187	-	-	38,187	-	-
Equities	1,416	-	-	1,416	-	-
Collective Investment Schemes	13,141	-	-	13,141	-	-
	52,744	-	-	52,744		
Total cost as a % of the Fund's average net asset value (%)						
		-	-			

### Average portfolio dealing spread

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

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.

## 17 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares in issue 5.10.23
F Accumulation shares	120,554,122	14,036,910	(19,906,397)	114,684,635

## 18 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>ANZ</b>										
2023	(6)	-	-	-	-	-	-	-	-	(6)
2022	-	-	-	-	-	-	-	-	-	-
<b>Barclays</b>										
2023	(23)	-	-	-	-	-	-	-	-	(23)
2022	-	-	-	-	-	-	-	-	-	-
<b>BNP Paribas</b>										
2023	3	-	-	-	-	-	-	-	-	4
2022	(17)	-	-	-	-	-	-	-	-	(17)
<b>Canadian Imperial Bank of Commerce</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(1)	-	-	-	-	-	-	-	-	(1)
<b>Citigroup</b>										
2023	(7)	-	-	-	-	-	-	-	-	(7)
2022	11	-	-	-	-	-	-	-	-	11
<b>Deutsche Bank</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	33	-	-	-	-	-	-	-	-	33
<b>Goldman Sachs</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(5)	-	-	-	-	-	-	-	-	(5)



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>J.P. Morgan</b>										
2023	1	-	-	-	-	-	-	-	-	-
2022	84	-	-	-	-	-	-	-	-	84
<b>Morgan Stanley</b>										
2023	(79)	-	-	-	-	-	-	-	-	(79)
2022	4	-	-	-	-	-	-	-	-	4
<b>Standard Chartered</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	2	-	-	-	-	-	-	-	-	2
<b>State Street</b>										
2023	9	-	-	-	-	-	-	-	-	9
2022	-	-	-	-	-	-	-	-	-	-
<b>UBS</b>										
2023	(22)	-	-	-	-	-	-	-	-	(22)
2022	(93)	-	-	-	-	-	-	-	-	(93)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2022 – Nil).

### 19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	61.67p	57.58p	7.10

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.2683p	-	1.2683p	0.6284p
Group 2	0.6932p	0.5751p	1.2683p	0.6284p

## Equalisation

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

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

# Schroder Global Multi-Asset Growth Portfolio (formerly Schroder Tactical Portfolio 6)

## Investment objective and policy

Schroder Global Multi-Asset Growth Portfolio (formerly Schroder Tactical Portfolio 6) (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 65% to 80% of that of global stock markets (represented by the MSCI All Country World index).

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund is part of the Schroder Global Multi-Asset Portfolio range, which offers five funds with different expected combinations of investment risk and return. The Fund aims to take a growth approach, which means that it aims to be the fourth highest risk fund in this range, with fewer 'lower risk' assets (such as certain fixed income securities) and more 'higher risk' assets (such as certain equities) than funds with a lower risk profile. The Fund may invest between 40 and 85% of its assets, directly or indirectly, in equity and equity-related securities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses.

The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

*With effect from 2 May 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 65% to 80% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Tactical Portfolio range, which offers five funds with different expected combinations of investment risk and return. This Fund is risk level 6, which aims to be the second highest risk fund in this range with the second highest equity weighting.

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund seeks to achieve the target average volatility by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

The reference to "tactical" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager takes a tactical view on asset classes over shorter time periods in order to manage exposure to different asset classes with the objective of adding value.

## Additional Information

The number in the Fund's name reflects the risk level of the fund, which is in line with the profiling classification. Each client completes a risk profiling questionnaire with their adviser when choosing the investment strategy most appropriate for their needs, which results in a risk profiling classification. This risk classification can range between 1 and 10, with 10 being the highest.

## Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 40-85% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

## Significant events

Effective from 2 May 2023, Schroder Tactical Portfolio 6 Fund changed its name to Schroder Global Multi-Asset Growth Portfolio and changed its investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 3.96%. In comparison, Investment Association Mixed Investment 40-85% Shares Sector Average generated a total return of 2.75%<sup>1</sup>.**

This period has been characterised by persistent inflation, a recession missing in action, and an artificial intelligence revolution driving equity markets.

At the start of the period the portfolio was cautious on equities, remaining underweight due to concerns over higher inflation and expectations for corporate earnings contributing to recessionary risks. This stance was maintained as we entered the spring of 2023, but as the first half of the year progressed the portfolio's underweight positions in US and Eurozone equities were reduced and we moved toward neutral position. As we moved in to the second half of the year the portfolio favoured US smaller companies versus larger US companies (represented by the Russell 2000 index and the S&P 500 index respectively) at the start of Q3. There were encouraging signs that a US recession had been avoided, at least in the medium term, and we believed this would give smaller US companies a chance to outperform larger companies. In order to diversify this position, the portfolios held an allocation to US Financials stocks. Elsewhere, we favoured Japanese equities against German equities. Economic conditions in Japan have strengthened while there are signs of a deterioration in Germany.

Within fixed income, the first quarter of 2023 saw us take a positive stance on credit against a backdrop of attractive valuations and positive yields. To this end, an overweight position in European investment grade debt was added as the European Central Bank kept interest rates on hold, while growth remained supportive. Many emerging markets had also made greater progress on taming inflation than their developed counterparts, allowing interest rates to fall, so the portfolio also held a position in emerging market debt (local currency). The portfolio is currently neutral on government bonds and we prefer the shorter end of the yield curve. The longer end remains unattractive given the ongoing level of inversion (where short-term bonds have higher yield than long-term bonds), and medium-term concerns over government debt levels and inflation.

Within alternatives, the portfolio held a position in commodities as supply-side pressures contributed to a positive outlook for the asset class.

**Head of UK Multi-Asset Investments:  
Philip Chandler, CFA**



Joined Schroders in 2003 and is based in London

Fund manager in the Benchmark Relative team, focusing on UK pension and insurance clients. Member of the Duration risk premia team of the Strategic Investment Group Multi-Asset (SIGMA)

Initially joined Schroders as a portfolio manager in the Fixed Income team, with responsibility for global rates, money markets and then Gilt and European government portfolios. Transferred to the Multi-Asset team in 2009

CFA Charterholder

Degree in Philosophy, Politics and Economics, University of Oxford

**Multi-Asset Fund Manager:  
Tara Jameson, CFA**



Tara is a Multi-Asset Fund Manager at Schroders, focusing on benchmark relative portfolio's. She is the head of the Credit research group in the Strategic Investment Group Multi-Asset (SIGMA)

She joined Schroders in 2014 and is based in London

Tara was a Solutions Manager at Schroders from 2015 to 2018, which involved designing and constructing systematic risk management and option strategies

She was a Business analyst at Schroders from 2014 to 2015, for the UK Institutional Business

CFA Charterholder; MA in Natural Sciences (Chemistry) from Jesus College, Cambridge University

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	57.54	61.50	53.82
Return before operating charges*	2.47	(3.79)	7.96
Operating charges	(0.13)	(0.17)	(0.28)
<b>Return after operating charges*</b>	<b>2.34</b>	<b>(3.96)</b>	<b>7.68</b>
Distributions**	(1.22)	(0.79)	(0.45)
Retained distributions**	1.22	0.79	0.45
<b>Closing net asset value</b>	<b>59.88</b>	<b>57.54</b>	<b>61.50</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	4.07	(6.44)	14.27
<b>Other information</b>			
Closing net asset value (£000's)	24,332	23,141	28,825
Closing number of shares	40,635,428	40,218,068	46,873,016
Operating charges (%)	0.20	0.27	0.26
Direct transaction costs (%)	-	-	-
<b>Prices</b>			
Highest dealing price	62.12p	64.44p	63.11p
Lowest dealing price	55.92p	56.24p	52.56p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 87.15% (81.42%)</b>			
<b>Commodity Funds 0.98% (0.53%)</b>			
iShares Diversified Commodity Swap Fund USD (Acc) Share Class	43,298	237	0.98
		<b>237</b>	<b>0.98</b>
<b>Emerging Markets Fixed Interest Funds 0.00% (1.04%)</b>			
<b>European Fixed Interest Funds 2.97% (0.00%)</b>			
iShares Core € Corp Bond Fund EUR (Dist) Share Class	7,357	723	2.97
		<b>723</b>	<b>2.97</b>
<b>Global Equity Funds 41.36% (32.93%)</b>			
Schroder Global Equity Component Fund - Class X Accumulation GBP†	895,417	749	3.08
Schroder Global Equity Fund - Class X Accumulation GBP†	6,987,602	4,642	19.08
Schroder Sustainable Multi- Factor Equity Fund - Class X Accumulation GBP†	6,595,708	4,673	19.20
		<b>10,064</b>	<b>41.36</b>
<b>Global Fixed Interest Funds 29.66% (29.27%)</b>			
Schroder Global Corporate Bond Managed Credit Component Fund - Class X Accumulation GBP†	4,778,338	2,452	10.07
Schroder Global Sovereign Bond Tracker Component Fund - Class X Accumulation GBP†	5,056,387	2,309	9.49
Schroder ISF Global Corporate Bond Fund - Class I Accumulation USD†	206,136	2,457	10.10
		<b>7,218</b>	<b>29.66</b>
<b>UK Equity Funds 12.18% (17.65%)</b>			
Schroder Prime UK Equity Fund - Class X Accumulation GBP†	2,231,077	2,963	12.18
		<b>2,963</b>	<b>12.18</b>
<b>Collective Investment Schemes total</b>		<b>21,205</b>	<b>87.15</b>
<b>Government Bonds 10.34% (14.41%)</b>			
<b>United Kingdom 10.34% (14.41%)</b>			
UK Treasury Bill 0% 06/11/2023	700,000	697	2.87

	Holding at 5.10.23	Market Value £000's	% of net assets
UK Treasury Bill 0% 13/11/2023	238,000	237	0.97
UK Treasury Bill 0% 27/11/2023	900,000	893	3.67
UK Treasury Bill 0% 18/12/2023	300,000	297	1.22
UK Treasury Bill 0% 29/01/2024	300,000	295	1.21
UK Treasury Bill 0% 25/03/2024	100,000	97	0.40
		<b>2,516</b>	<b>10.34</b>
<b>Government Bonds total</b>		<b>2,516</b>	<b>10.34</b>
<b>Forward Foreign Currency Contracts (0.06)% (0.14%)</b>			
Buy CAD 657,000 Sell GBP 392,889 26/10/2023		0	0.00
Buy CHF 197,000 Sell GBP 178,175 26/10/2023		(1)	0.00
Buy DKK 363,000 Sell GBP 42,188 26/10/2023		0	0.00
Buy DKK 171,000 Sell GBP 19,892 26/10/2023		0	0.00
Buy EUR 313,000 Sell GBP 272,447 26/10/2023		(1)	0.00
Buy JPY 104,228,000 Sell GBP 572,744 26/10/2023		6	0.02
Buy SEK 664,000 Sell GBP 48,356 26/10/2023		1	0.00
Buy SGD 1,051,000 Sell GBP 623,279 26/10/2023		9	0.04
Sell EUR 891,500 Buy GBP 772,913 26/10/2023		0	0.00
Sell SGD 1,051,000 Buy GBP 624,014 26/10/2023		(8)	(0.03)
Sell USD 89,000 Buy GBP 73,455 26/10/2023		0	0.00
Sell USD 1,417,000 Buy GBP 1,145,950 26/10/2023		(21)	(0.09)
<b>Forward Foreign Currency Contracts total</b>		<b>(15)</b>	<b>(0.06)</b>
<b>Futures (0.53)% ((0.59)%)</b>			
DAX Mini Index December 2023	(4)	13	0.05
Euro-Bobl December 2023	(1)	1	0.00
EURO STOXX 50 Index December 2023	26	(30)	(0.12)
FTSE 100 Index December 2023	2	0	0.00
MSCI Emerging Markets Index December 2023	25	(53)	(0.22)
S&P 500 Emini Index December 2023	3	(22)	(0.09)

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets
TOPIX Mini Index December 2023	62	(37)	(0.15)
<b>Futures total</b>		<b>(128)</b>	<b>(0.53)</b>
<b>Portfolio of investments</b>		<b>23,578</b>	<b>96.90</b>
<b>Net other assets</b>		<b>754</b>	<b>3.10</b>
<b>Net assets attributable to shareholders</b>		<b>24,332</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 12).



# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		405		(1,878)
Revenue	3	578		393	
Expenses	4	(49)		(68)	
Net revenue before taxation		<b>529</b>		<b>325</b>	
Taxation	5	(57)		-	
Net revenue after taxation			<b>472</b>		<b>325</b>
<b>Total return before distributions</b>			<b>877</b>		<b>(1,553)</b>
Distributions	6		(472)		(325)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>405</b>		<b>(1,878)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		23,141		28,825
Amounts receivable on issue of shares	4,758		3,132	
Amounts payable on cancellation of shares	(4,469)		(7,257)	
		<b>289</b>		<b>(4,125)</b>
Change in net assets attributable to shareholders from investment activities		405		(1,878)
Retained distribution on Accumulation shares		497		319
<b>Closing net assets attributable to shareholders</b>		<b>24,332</b>		<b>23,141</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			23,751		22,262
<b>Current assets</b>					
Debtors	8		84		993
Cash and bank balances	9		947		609
<b>Total assets</b>			<b>24,782</b>		<b>23,864</b>
<b>Liabilities</b>					
Investment liabilities			(173)		(191)
<b>Creditors</b>					
Other creditors	10		(277)		(532)
<b>Total liabilities</b>			<b>(450)</b>		<b>(723)</b>
<b>Net assets attributable to shareholders</b>			<b>24,332</b>		<b>23,141</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Global Multi-Asset Growth Portfolio (formerly Schroder Tactical Portfolio 6) are disclosed on pages 9 to 10.

### 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	284	(1,257)
Derivative contracts	227	(828)
Forward foreign currency contracts	(121)	245
Foreign currency gains/(losses)	15	(40)
Annual management charge rebates	-	2
<b>Net capital gains/(losses)</b>	<b>405</b>	<b>(1,878)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
UK dividends	50	-
Franked distributions	245	286
Interest distributions	145	80
Interest on debt securities	115	26
Bank interest	21	2
Net revenue return from derivative contracts	(1)	(4)
Annual management charge rebates	3	3
<b>Total revenue</b>	<b>578</b>	<b>393</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	49	67
	<b>49</b>	<b>67</b>
<b>Other expenses:</b>		
Interest payable	-	1
	<b>-</b>	<b>1</b>
<b>Total expenses</b>	<b>49</b>	<b>68</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £9,648).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 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 £000's	2022 £000's
Corporation tax	57	-
<b>Total current tax (Note 5(b))</b>	<b>57</b>	<b>-</b>

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies of 20% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023 £000's	2022 £000's
<b>Net revenue before taxation</b>	<b>529</b>	<b>325</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	106	65
<b>Effects of:</b>		
Revenue not subject to corporation tax	(49)	(57)
Movement in excess management expenses	-	(8)
<b>Total tax charge for the year (Note 5(a))</b>	<b>57</b>	<b>-</b>

### 6 Distributions

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

	2023 £000's	2022 £000's
Final Dividend distribution	498	319
Add: Revenue deducted on cancellation of shares	26	11
Deduct: Revenue received on issue of shares	(52)	(5)
<b>Distributions</b>	<b>472</b>	<b>325</b>

Details of the distributions per share are set out in the Distribution Table on page 74.

### 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's 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	3,490	(142)	3,698	(138)
Level 2: Observable market data	20,261	(31)	18,564	(53)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>23,751</b>	<b>(173)</b>	<b>22,262</b>	<b>(191)</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.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	83	1
Sales awaiting settlement	-	992
Accrued revenue	1	-
<b>Total debtors</b>	<b>84</b>	<b>993</b>

### 9 Cash and bank balances

	2023	2022
	£000's	£000's
Cash and bank balances	603	249
Amounts held at futures clearing houses and brokers	344	360
<b>Total cash and bank balances</b>	<b>947</b>	<b>609</b>

### 10 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	60	90
Purchases awaiting settlement	152	376
Accrued expenses	8	66
Corporation tax payable	57	-
<b>Total other creditors</b>	<b>277</b>	<b>532</b>

### 11 Contingent liabilities

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

### 12 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £3,452 (2022 – £4,835) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 – Nil).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £376,210 (2022 – £365,357) is included under Revenue in the Notes to the Accounts.

### 13 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 62.

The distributions per share class are given in the Distribution Table on page 74.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £2,357,800 (2022 - £2,207,100).

#### 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 Authorised Corporate Director 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
Australian dollar	-	(2)
Canadian dollar	393	(588)
Danish krone	62	43
Euro	209	1,076
Japanese yen	556	886
Sterling	21,454	19,266
Swedish krona	50	53
Swiss franc	178	144
US dollar	1,430	2,263

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 shareholders will increase or decrease by approximately £287,800 (2022 - £387,500).

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.

#### Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

#### 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.

The Fund may invest in fixed rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

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

#### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2023				2022			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar	-	-	-	-	-	-	930	930
Brazilian real	-	-	-	-	-	-	257	257
Canadian dollar	-	-	393	393	-	-	225	225

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Currency	2023				2022			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Danish krone	-	-	62	62	-	-	43	43
Euro	3	-	1,009	1,012	19	-	1,064	1,083
Indian rupee	-	-	-	-	-	-	240	240
Japanese yen	15	-	578	593	4	-	882	886
Singapore dollar	-	-	632	632	-	-	-	-
South African rand	-	-	-	-	-	-	238	238
Sterling	877	2,516	20,488	23,881	409	3,334	20,148	23,891
Swedish krona	-	-	50	50	-	-	53	53
Swiss franc	-	-	178	178	-	-	144	144
US dollar	52	-	2,694	2,746	177	-	4,272	4,449

Currency	2023				2022			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Australian dollar	-	-	-	-	-	-	932	932
Brazilian real	-	-	-	-	-	-	257	257
Canadian dollar	-	-	-	-	-	-	813	813
Euro	-	-	803	803	-	-	7	7
Indian rupee	-	-	-	-	-	-	240	240
Japanese yen	-	-	37	37	-	-	0	0
Singapore dollar	-	-	632	632	-	-	-	-
South African rand	-	-	-	-	-	-	238	238
Sterling	-	-	2,427	2,427	-	-	4,625	4,625
US dollar	-	-	1,316	1,316	-	-	2,186	2,186

At the year end, if changes in interest rates resulted in a 10% increase or decrease in the net assets of the fund, then the net assets would increase or decrease by approximately £346,300 (2022 - £394,300).

There are no material amounts of non-interest bearing financial assets, other than equities and collective investment schemes, which do not have a maturity date.

### 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 and amounts held or overdrawn at futures clearing houses and brokers 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.

### Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

### Global risk exposure

#### Commitment approach

When using derivatives, the Authorised Corporate Director 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 5 October 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:

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Leverage

	2023			Leverage 5 October	2022			Leverage 5 October
	Lowest	Highest	Average		Lowest	Highest	Average	
	19.90%	36.59%	27.41%	20.52%	28.22%	61.64%	42.97%	29.10%

### 15 Debt security credit analysis

	2023 £000's	2022 £000's
Investment Grade	2,516	3,334
<b>Total debt securities</b>	<b>2,516</b>	<b>3,334</b>

### 16 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>						
Purchases:						
Bonds	6,600	-	-	6,600	-	-
Equities	131	-	-	131	-	-
Collective Investment Schemes	9,557	-	-	9,557	-	-
	16,288	-	-	16,288		
<b>Sales</b>						
Sales:						
Bonds	7,535	-	-	7,535	-	-
Equities	227	-	-	228	-	-
Collective Investment Schemes	7,792	-	-	7,792	-	-
	15,554	-	-	15,555		
Total cost as a % of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Purchases:						
Bonds	11,056	-	-	11,056	-	-
Equities	1,032	-	-	1,032	-	-
Collective Investment Schemes	8,447	-	-	8,447	-	-
	20,535	-	-	20,535		
<b>Sales</b>						
Sales:						
Bonds	15,899	-	-	15,899	-	-
Equities	772	-	-	772	-	-
Collective Investment Schemes	7,830	-	-	7,830	-	-
	24,501	-	-	24,501		
Total cost as a % of the Fund's average net asset value (%)		-	-			

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Average portfolio dealing spread

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

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.

### 17 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares in issue 5.10.23
F Accumulation shares	40,218,068	7,947,201	(7,529,841)	40,635,428

### 18 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>ANZ</b>										
2023	(1)	-	-	-	-	-	-	-	-	(1)
2022	-	-	-	-	-	-	-	-	-	-
<b>Barclays</b>										
2023	(1)	-	-	-	-	-	-	-	-	(1)
2022	-	-	-	-	-	-	-	-	-	-
<b>BNP Paribas</b>										
2023	1	-	-	-	-	-	-	-	-	1
2022	(7)	-	-	-	-	-	-	-	-	(7)
<b>Citigroup</b>										
2023	(1)	-	-	-	-	-	-	-	-	(1)
2022	9	-	-	-	-	-	-	-	-	9
<b>Deutsche Bank</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	13	-	-	-	-	-	-	-	-	13
<b>Goldman Sachs</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(2)	-	-	-	-	-	-	-	-	(2)
<b>J.P. Morgan</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	18	-	-	-	-	-	-	-	-	18
<b>Morgan Stanley</b>										
2023	(10)	-	-	-	-	-	-	-	-	(10)
2022	9	-	-	-	-	-	-	-	-	9
<b>Standard Chartered</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	1	-	-	-	-	-	-	-	-	1
<b>State Street</b>										
2023	5	-	-	-	-	-	-	-	-	5
2022	-	-	-	-	-	-	-	-	-	-
<b>UBS</b>										
2023	(8)	-	-	-	-	-	-	-	-	(8)
2022	(8)	-	-	-	-	-	-	-	-	(8)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2022 – Nil).



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	64.11p	59.83p	7.15

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.2242p	-	1.2242p	0.7931p
Group 2	0.5910p	0.6332p	1.2242p	0.7931p

## Equalisation

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

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

# Schroder Global Multi-Asset Adventurous Portfolio (formerly Schroder Tactical Portfolio 7)

## Investment objective and policy

Schroder Global Multi-Asset Adventurous Portfolio (formerly Schroder Tactical Portfolio 7) (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 75% to 90% of that of global stock markets (represented by the MSCI All Country World index).

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund is part of the Schroder Global Multi-Asset Portfolio range, which offers five funds with different expected combinations of investment risk and return. The Fund aims to take an adventurous approach, which means that it aims to be the highest risk fund in this range, with fewer 'lower risk' assets (such as certain fixed income securities) and more 'higher risk' assets (such as certain equities) than the other funds in the range. The Fund may invest between 40 and 85% of its assets, directly or indirectly, in equity and equity-related securities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range. The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

*With effect from 2 May 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 75% to 90% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCo Schroder Tactical Portfolio range, which offers five funds with different expected combinations of investment risk and return. This Fund is risk level 7, which aims to be the highest risk fund in this range with the highest equity weighting.

The Fund may invest up to 100% of its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts, exchange traded funds and other Schroder funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities including government bonds and corporate bonds;
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund may also invest directly in (A), (B) or (C).

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range. The Fund may invest up to 100% of its assets in Schroder funds. The Fund may also invest in 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 10 of Appendix III of the Prospectus).

The reference to "tactical" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager takes a tactical view on asset classes over shorter time periods in order to manage exposure to different asset classes with the objective of adding value.

## Additional Information

The number in the Fund's name reflects the risk level of the Fund, which is in line with the profiling classification. Each client completes a risk profiling questionnaire with their adviser when choosing the investment strategy most appropriate for their needs, which results in a risk profiling classification. This risk classification can range between 1 and 10, with 10 being the highest.

## Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 40-85% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

## Significant events

Effective from 2 May 2023, Schroder Tactical Portfolio 7 Fund changed its name to Schroder Global Multi-Asset Adventurous Portfolio and changed its investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 5.11%. In comparison, Investment Association Mixed Investment 40-85% Shares Sector Average generated a total return of 2.75%<sup>1</sup>.**

This period has been characterised by persistent inflation, a recession missing in action, and an artificial intelligence revolution driving equity markets.

At the start of the period the portfolio was cautious on equities, remaining underweight due to concerns over higher inflation and expectations for corporate earnings contributing to recessionary risks. This stance was maintained as we entered the spring of 2023, but as the first half of the year progressed the portfolio's underweight positions in US and Eurozone equities were reduced and we moved toward neutral position. As we moved in to the second half of the year the portfolio favoured US smaller companies versus larger US companies (represented by the Russell 2000 index and the S&P 500 index respectively) at the start of Q3. There were encouraging signs that a US recession had been avoided, at least in the medium term, and we believed this would give smaller US companies a chance to outperform larger companies. In order to diversify this position, the portfolios held an allocation to US Financials stocks. Elsewhere, we favoured Japanese equities against German equities. Economic conditions in Japan have strengthened while there are signs of a deterioration in Germany.

Within fixed income, the first quarter of 2023 saw us take a positive stance on credit against a backdrop of attractive valuations and positive yields. To this end, an overweight position in European investment grade debt was added as the European Central Bank kept interest rates on hold, while growth remained supportive. Many emerging markets had also made greater progress on taming inflation than their developed counterparts, allowing interest rates to fall, so the portfolio also held a position in emerging market debt (local currency). The portfolio is currently neutral on government bonds and we prefer the shorter end of the yield curve. The longer end remains unattractive given the ongoing level of inversion (where short-term bonds have higher yield than long-term bonds), and medium-term concerns over government debt levels and inflation.

Within alternatives, the portfolio held a position in commodities as supply-side pressures contributed to a positive outlook for the asset class.

**Head of UK Multi-Asset Investments:  
Philip Chandler, CFA**



Joined Schroders in 2003 and is based in London

Fund manager in the Benchmark Relative team, focusing on UK pension and insurance clients. Member of the Duration risk premia team of the Strategic Investment Group Multi-Asset (SIGMA)

Initially joined Schroders as a portfolio manager in the Fixed Income team, with responsibility for global rates, money markets and then Gilt and European government portfolios. Transferred to the Multi-Asset team in 2009

CFA Charterholder

Degree in Philosophy, Politics and Economics, University of Oxford

**Multi-Asset Fund Manager:  
Tara Jameson, CFA**



Tara is a Multi-Asset Fund Manager at Schroders, focusing on benchmark relative portfolio's. She is the head of the Credit research group in the Strategic Investment Group Multi-Asset (SIGMA)

She joined Schroders in 2014 and is based in London

Tara was a Solutions Manager at Schroders from 2015 to 2018, which involved designing and constructing systematic risk management and option strategies

She was a Business analyst at Schroders from 2014 to 2015, for the UK Institutional Business

CFA Charterholder; MA in Natural Sciences (Chemistry) from Jesus College, Cambridge University

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	58.69	61.68	52.84
Return before operating charges*	3.23	(2.82)	9.12
Operating charges	(0.12)	(0.17)	(0.28)
<b>Return after operating charges*</b>	<b>3.11</b>	<b>(2.99)</b>	<b>8.84</b>
Distributions**	(1.39)	(0.85)	(0.38)
Retained distributions**	1.39	0.85	0.38
<b>Closing net asset value</b>	<b>61.80</b>	<b>58.69</b>	<b>61.68</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	5.30	(4.85)	16.73
<b>Other information</b>			
Closing net asset value (£000's)	17,566	16,876	21,294
Closing number of shares	28,422,449	28,752,885	34,521,132
Operating charges (%)	0.20	0.27	0.26
<b>Prices</b>			
Highest dealing price	64.10p	65.08p	63.46p
Lowest dealing price	56.97p	57.22p	51.35p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 78.01% (77.42%)</b>			
<b>Commodity Funds 0.96% (0.53%)</b>			
iShares Diversified Commodity Swap Fund USD (Acc) Share Class	30,829	169	0.96
		<b>169</b>	<b>0.96</b>
<b>Emerging Markets Fixed Interest Funds 0.00% (1.03%)</b>			
<b>European Fixed Interest Funds 3.11% (0.00%)</b>			
iShares Core € Corp Bond Fund EUR (Dist) Share Class	5,567	547	3.11
		<b>547</b>	<b>3.11</b>
<b>Global Equity Funds 41.89% (37.86%)</b>			
Schroder Global Equity Component Fund - Class X Accumulation GBP†	679,661	569	3.24
Schroder Global Equity Fund - Class X Accumulation GBP†	5,138,279	3,413	19.43
Schroder Sustainable Multi- Factor Equity Fund - Class X Accumulation GBP†	4,765,966	3,376	19.22
		<b>7,358</b>	<b>41.89</b>
<b>Global Fixed Interest Funds 18.30% (17.27%)</b>			
Schroder Global Corporate Bond Managed Credit Component Fund - Class X Accumulation GBP†	2,116,704	1,086	6.18
Schroder Global Sovereign Bond Tracker Component Fund - Class X Accumulation GBP†	2,274,195	1,039	5.92
Schroder ISF Global Corporate Bond Fund - Class I Accumulation USD†	91,333	1,089	6.20
		<b>3,214</b>	<b>18.30</b>
<b>UK Equity Funds 13.75% (20.73%)</b>			
Schroder Prime UK Equity Fund - Class X Accumulation GBP†	1,819,353	2,416	13.75
		<b>2,416</b>	<b>13.75</b>
<b>Collective Investment Schemes total</b>		<b>13,704</b>	<b>78.01</b>
<b>Government Bonds 18.18% (15.31%)</b>			
<b>United Kingdom 18.18% (15.31%)</b>			
UK Treasury Bill 0% 09/10/2023	465,000	465	2.65

	Holding at 5.10.23	Market Value £000's	% of net assets
UK Treasury Bill 0% 06/11/2023	100,000	100	0.57
UK Treasury Bill 0% 13/11/2023	1,060,000	1,054	6.00
UK Treasury Bill 0% 27/11/2023	200,000	198	1.13
UK Treasury Bill 0% 18/12/2023	200,000	198	1.13
UK Treasury Bill 0% 15/01/2024	400,000	394	2.24
UK Treasury Bill 0% 29/01/2024	400,000	393	2.24
UK Treasury Bill 0% 19/02/2024	200,000	196	1.11
UK Treasury Bill 0% 25/03/2024	200,000	195	1.11
		<b>3,193</b>	<b>18.18</b>
<b>Government Bonds total</b>		<b>3,193</b>	<b>18.18</b>
<b>Forward Foreign Currency Contracts 0.14% (0.21%)</b>			
Buy AUD 50,000 Sell GBP 26,253 26/10/2023		0	0.00
Buy CAD 446,000 Sell GBP 266,710 26/10/2023		0	0.00
Buy CAD 72,000 Sell GBP 43,319 26/10/2023		0	0.00
Buy CHF 194,000 Sell GBP 175,462 26/10/2023		(1)	(0.01)
Buy DKK 359,000 Sell GBP 41,723 26/10/2023		0	0.00
Buy DKK 136,000 Sell GBP 15,820 26/10/2023		0	0.00
Buy EUR 233,000 Sell GBP 202,678 26/10/2023		0	0.00
Buy JPY 96,435,000 Sell GBP 530,125 26/10/2023		5	0.03
Buy SEK 686,000 Sell GBP 49,958 26/10/2023		1	0.01
Buy SGD 726,000 Sell GBP 430,543 26/10/2023		6	0.03
Buy USD 1,614,650 Sell GBP 1,307,380 26/10/2023		23	0.13
Buy USD 21,000 Sell GBP 17,304 26/10/2023		0	0.00
Sell EUR 476,800 Buy GBP 413,376 26/10/2023		0	0.00
Sell SGD 726,000 Buy GBP 431,051 26/10/2023		(6)	(0.03)
Sell USD 453,000 Buy GBP 368,672 26/10/2023		(4)	(0.02)
<b>Forward Foreign Currency Contracts total</b>		<b>24</b>	<b>0.14</b>
<b>Futures (0.97)% ((0.66)%)</b>			
DAX Mini Index December 2023	(3)	11	0.06

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Euro-Bobl December 2023	(2)	1	0.01	S&P 500 Emini Index December 2023	6	(57)	(0.32)
EURO STOXX 50 Index December 2023	25	(29)	(0.17)	TOPIX Mini Index December 2023	55	(30)	(0.17)
FTSE 100 Index December 2023	3	0	0.00	<b>Futures total</b>		<b>(170)</b>	<b>(0.97)</b>
MSCI Emerging Markets Index December 2023	32	(66)	(0.38)	<b>Portfolio of investments</b>		<b>16,751</b>	<b>95.36</b>
				<b>Net other assets</b>		<b>815</b>	<b>4.64</b>
				<b>Net assets attributable to shareholders</b>		<b>17,566</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 12).



# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		505		(1,117)
Revenue	3	431		307	
Expenses	4	(37)		(51)	
Net revenue before taxation		<b>394</b>		<b>256</b>	
Taxation	5	(1)		-	
Net revenue after taxation			<b>393</b>		<b>256</b>
<b>Total return before distributions</b>			<b>898</b>		<b>(861)</b>
Distributions	6		(393)		(256)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>505</b>		<b>(1,117)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		16,876		21,294
Amounts receivable on issue of shares	2,368		971	
Amounts payable on cancellation of shares	(2,579)		(4,516)	
		<b>(211)</b>		<b>(3,545)</b>
Change in net assets attributable to shareholders from investment activities		505		(1,117)
Retained distribution on Accumulation shares		396		244
<b>Closing net assets attributable to shareholders</b>		<b>17,566</b>		<b>16,876</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			16,944		15,737
<b>Current assets</b>					
Debtors	8		291		988
Cash and bank balances	9		709		546
<b>Total assets</b>			<b>17,944</b>		<b>17,271</b>
<b>Liabilities</b>					
Investment liabilities			(193)		(163)
<b>Creditors</b>					
Other creditors	10		(185)		(232)
<b>Total liabilities</b>			<b>(378)</b>		<b>(395)</b>
<b>Net assets attributable to shareholders</b>			<b>17,566</b>		<b>16,876</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Global Multi-Asset Adventurous Portfolio (formerly Schroder Tactical Portfolio 7) are disclosed on pages 9 to 10.

### 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	394	(818)
Derivative contracts	261	(719)
Forward foreign currency contracts	(174)	504
Foreign currency gains/(losses)	24	(85)
Annual management charge rebates	-	1
<b>Net capital gains/(losses)</b>	<b>505</b>	<b>(1,117)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
UK dividends	20	-
Franked distributions	203	241
Interest distributions	60	45
Interest on debt securities	130	23
Bank interest	17	1
Net revenue return from derivative contracts	(1)	(5)
Annual management charge rebates	2	2
<b>Total revenue</b>	<b>431</b>	<b>307</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	37	51
<b>Total expenses</b>	<b>37</b>	<b>51</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £9,648).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 5 Taxation

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

	2023 £000's	2022 £000's
Corporation tax	1	-
<b>Total current tax (Note 5(b))</b>	<b>1</b>	<b>-</b>

Corporation tax has been provided for at a rate of 20% (2022 – 20%).

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies of 20% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023 £000's	2022 £000's
<b>Net revenue before taxation</b>	<b>394</b>	<b>256</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	79	51
<b>Effects of:</b>		
Revenue not subject to corporation tax	(40)	(48)
Movement in excess management expenses	(38)	(3)
<b>Total tax charge for the year (Note (a))</b>	<b>1</b>	<b>-</b>

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

At the balance sheet date, there is a potential deferred tax asset of Nil (2022 – £37,544) in respect of unutilised management expenses.

### 6 Distributions

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

	2023 £000's	2022 £000's
Final Dividend distribution	396	244
Add: Revenue deducted on cancellation of shares	27	14
Deduct: Revenue received on issue of shares	(30)	(2)
<b>Distributions</b>	<b>393</b>	<b>256</b>

Details of the distributions per share are set out in the Distribution Table on page 90.

### 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's 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	3,921	(182)	2,858	(121)
Level 2: Observable market data	13,023	(11)	12,879	(42)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>16,944</b>	<b>(193)</b>	<b>15,737</b>	<b>(163)</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.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	291	7
Sales awaiting settlement	-	981
<b>Total debtors</b>	<b>291</b>	<b>988</b>

### 9 Cash and bank balances

	2023	2022
	£000's	£000's
Cash and bank balances	274	186
Amounts held at futures clearing houses and brokers	435	360
<b>Total cash and bank balances</b>	<b>709</b>	<b>546</b>

### 10 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	-	22
Purchases awaiting settlement	178	158
Accrued expenses	6	52
Corporation tax payable	1	-
<b>Total other creditors</b>	<b>185</b>	<b>232</b>

### 11 Contingent liabilities

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

### 12 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £2,332 (2022 – £3,496) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts.

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

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 0.01% (2022 – 0.01%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £232,972 (2022 – £285,866) is included under Revenue in the Notes to the Accounts.

### 13 Share classes

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

The Fund may invest up to 100% of its net asset value in collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying funds is an annual percentage rate of 3% of their net asset value (plus value added tax, if any).

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 78.

The distributions per share class are given in the Distribution Table on page 90.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £1,675,100 (2022 - £1,557,400).

#### 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 Authorised Corporate Director 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
Australian dollar	26	12
Canadian dollar	310	(421)
Danish krone	58	42
Euro	323	810
Japanese yen	517	738
Sterling	13,906	13,415
Swedish krona	51	55
Swiss franc	175	138
US dollar	2,200	2,087

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 shareholders will increase or decrease by approximately £366,000 (2022 - £346,100).

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.

#### Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

#### 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.

The Fund may invest in fixed rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

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

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2023				2022			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar	-	-	26	26	-	-	713	713
Brazilian real	-	-	-	-	-	-	192	192
Canadian dollar	-	-	310	310	-	-	181	181
Danish krone	-	-	58	58	-	-	42	42
Euro	4	-	761	765	21	-	882	903
Indian rupee	-	-	-	-	-	-	180	180
Japanese yen	12	-	535	547	3	-	735	738
Singapore dollar	-	-	437	437	-	-	-	-
South African rand	-	-	-	-	-	-	178	178
Sterling	602	3,193	13,404	17,199	375	2,584	15,249	18,208
Swedish krona	-	-	51	51	-	-	55	55
Swiss franc	-	-	175	175	-	-	170	170
US dollar	91	-	2,605	2,696	147	-	3,806	3,953

Currency	2023				2022			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Australian dollar	-	-	-	-	-	-	701	701
Brazilian real	-	-	-	-	-	-	192	192
Canadian dollar	-	-	-	-	-	-	602	602
Euro	-	-	442	442	-	-	93	93
Indian rupee	-	-	-	-	-	-	180	180
Japanese yen	-	-	30	30	-	-	-	-
Singapore dollar	-	-	437	437	-	-	-	-
South African rand	-	-	-	-	-	-	178	178
Sterling	-	-	3,293	3,293	-	-	4,793	4,793
Swiss franc	-	-	-	-	-	-	32	32
US dollar	-	-	496	496	-	-	1,866	1,866

At the year end, if changes in interest rates resulted in a 10% increase or decrease in the net assets of the fund, then the net assets would increase or decrease by approximately £390,200 (2022 - £312,900).

### 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 and amounts held or overdrawn at futures clearing houses and brokers 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.

### Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

Although the Fund may enter into derivative contracts for specific investment purposes in addition to being used for efficient management it is not the current intention to use derivatives for specific investment purposes.

During the year the Fund entered into derivative contracts for the efficient management of the Fund.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Global risk exposure

#### Commitment approach

When using derivatives, the Authorised Corporate Director 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 5 October 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 5 October	Lowest	Highest	Average	Leverage 5 October
	11.94%	23.12%	17.35%	14.76%	17.49%	41.82%	30.20%	17.49%

### 15 Debt security credit analysis

	2023 £000's	2022 £000's
Investment grade securities	3,193	2,584
<b>Total debt securities</b>	<b>3,193</b>	<b>2,584</b>

### 16 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>						
Bonds	7,155	-	-	7,155	-	-
Equities	76	-	-	76	-	-
Collective Investment Schemes	5,549	-	-	5,549	-	-
	12,780	-	-	12,780		
<b>Sales</b>						
Bonds	6,680	-	-	6,680	-	-
Equities	148	-	-	148	-	-
Collective Investment Schemes	5,495	-	-	5,495	-	-
	12,323	-	-	12,323		
Total cost as a % of the Fund's average net asset value (%)		-	-			

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Bonds	9,585	-	-	9,585	-	-
Equities	383	-	-	383	-	-
Collective Investment Schemes	6,007	-	-	6,007	-	-
	15,975	-	-	15,975		
<b>Sales</b>						
Bonds	13,929	-	-	13,929	-	-
Equities	385	-	-	385	-	-
Collective Investment Schemes	5,224	-	-	5,224	-	-
	19,538	-	-	19,538		
Total cost as a % of the Fund's average net asset value (%)		-	-			

### Average portfolio dealing spread

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

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.

## 17 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares in issue 5.10.23
F Accumulation shares	28,752,885	3,851,185	(4,181,621)	28,422,449

## 18 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>ANZ</b>										
2023	1	-	-	-	-	-	-	-	-	1
2022	-	-	-	-	-	-	-	-	-	-
<b>Barclays</b>										
2023	8	-	-	-	-	-	-	-	-	8
2022	-	-	-	-	-	-	-	-	-	-
<b>BNP Paribas</b>										
2023	1	-	-	-	-	-	-	-	-	1
2022	(6)	-	-	-	-	-	-	-	-	(6)
<b>Citigroup</b>										
2023	2	-	-	-	-	-	-	-	-	2
2022	8	-	-	-	-	-	-	-	-	8
<b>Deutsche Bank</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	10	-	-	-	-	-	-	-	-	10



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>Goldman Sachs</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(2)	-	-	-	-	-	-	-	-	(2)
<b>J.P. Morgan</b>										
2023	1	-	-	-	-	-	-	-	-	1
2022	15	-	-	-	-	-	-	-	-	15
<b>Morgan Stanley</b>										
2023	13	-	-	-	-	-	-	-	-	13
2022	13	-	-	-	-	-	-	-	-	13
<b>State Street</b>										
2023	4	-	-	-	-	-	-	-	-	4
2022	-	-	-	-	-	-	-	-	-	-
<b>UBS</b>										
2023	(6)	-	-	-	-	-	-	-	-	(6)
2022	(2)	-	-	-	-	-	-	-	-	(2)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2022 – Nil).

### 19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	66.16p	61.74p	7.16

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.3919p	–	1.3919p	0.8485p
Group 2	0.6232p	0.7687p	1.3919p	0.8485p

## Equalisation

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

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

# Schroder Managed Defensive Fund

## Fund Information

### Investment objective and policy

Schroder Managed Defensive Fund (the 'Fund') aims to provide capital growth and income in excess of the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum (after fees have been deducted) over a three to five year period, whilst also seeking to mitigate the risk of incurring a loss greater than 10% over any investment period, by investing in a diversified range of assets and markets worldwide. The Fund will seek to achieve a target average volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of 4% per annum. This cannot be guaranteed and your capital is at risk.

The Fund invests directly or indirectly through derivatives in equity or equity related securities and fixed and floating rate securities, issued by governments, government agencies, supra-nationals or corporate issuers, worldwide.

The Fund seeks to achieve the target average volatility by varying the weighting of asset types. During the market cycle the Fund's volatility may be higher or lower than the target average level if the Investment Manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target average volatility.

The Fund may also invest in alternative assets including funds that use absolute return strategies or funds that invest indirectly in real estate, infrastructure and commodities.

The Fund may also invest in money market instruments, collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds, and hold cash (exceptionally up to 100% of the Fund's assets may be cash or money market instruments).

The Fund may invest more than 10% of its assets in collective investment schemes managed by Schroders.

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 10 of Appendix III of the Prospectus). The Fund may use leverage and take short positions.

### Fund characteristics

The Fund's performance should be assessed against its target benchmark of the ICE BofA Sterling 3-Month Government Bill Index plus 2% per annum (after fees have been deducted). The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 1.60%. In the same period, ICE BofA Sterling 3-Month Government Bill Index plus 2% generated a total return of 6.14%<sup>1</sup>.**

The Fund is designed to provide investors with some protection from large market falls. It aims to achieve this through a strategy that moves a proportion of assets held in higher risk assets (such as equities, bonds, and alternatives) into cash when day-to-day market movements are higher than normal and reversing this when they return to normal levels. This strategy was used throughout the period, helping to reduce some losses at times when equities and bonds both fell together.

Within the Fund's allocation to equities, our favoured region was the US, particularly larger US companies. There were encouraging signs that a US recession had been avoided, at least in the medium term, and we believed this would give US companies a chance to outperform other regions. US equities were the largest contributor to Fund returns. Elsewhere, we increased the position in Japanese equities, as economic conditions in Japan have improved. We reduced the Fund's allocation to European equities as there are signs of a deterioration in the German economy.

The Fund's allocation to fixed income assets was held through a diversified range of developed market global government bonds. The Fund held different regional exposures and bond maturities at different stages depending on our views at the time. For example, we currently prefer to allocate to shorter-dated US Treasuries. This was based on our view that the US Federal Reserve is going to keep interest rates on hold for the next few months and that the risks are well priced. Longer-dated Treasury bonds are less attractive given medium-term concerns over government debt levels and inflation. We also increased the Fund's allocation to German government bonds which performed better than most other developed markets over the past few months. The Fund maintained an allocation to broad commodities over the period. Our view is that a combination of geopolitical risks combined with a tightening in energy and agricultural sector supply would create upward pressure on prices.

**Head of Multi-Asset Investments, Europe, UK & US Balanced:**

**Ugo Montrucchio, CFA, CAIA**



Joined Schroders in December 2013 and is based in London. Ugo manages assets on behalf of Multi-Asset clients across UK and Europe and is a member of the credit risk premia research team.

Prior to joining Schroders, Ugo worked as a Director at BlackRock from 2007 (formerly Barclays Global Investors) where he was the lead portfolio manager specialising in diversified growth and risk parity strategies. He joined as a research associate in 2006 in the Liability Driven Investment (LDI) Team. Prior to this, Ugo worked as a fixed income investment analyst at Barings Asset Management from 2004 to 2006. He was the joint portfolio manager specialising in a bespoke cash-based LDI strategy. Ugo's career commenced in 2000 at Barra International Ltd, where he worked as a consultant to portfolio/risk managers.

CFA and CAIA Charterholder

BSc in Economics, Turin (Italy); MSc Finance, Greenwich (UK)

**Multi-Asset Fund Manager:**

**Sivarishi Sivakumar, CFA**



Rishi works in the portfolio management that is responsible of Institutional and Retail vehicles that are offered to European and British Multi-Asset clients.

He is currently head of the Duration risk premia team of the Strategic Investment Group Multi-Asset (SIGMA)

He is also a member of the Global Asset Allocation Committee (GAAC) farm group specialising in tactical trade ideas.

Prior to this role, Rishi has worked in various roles within Multi Asset focusing on trade implementation, portfolio modelling and portfolio construction for various Multi Asset mandates.

Rishi is a CFA Charter holder and holds a Bachelor's of Science (BSc) from London School of Economics and Political Science in Business Mathematics and Statistics.

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	51.31	55.16	52.43
Return before operating charges*	0.89	(3.71)	2.98
Operating charges	(0.10)	(0.14)	(0.25)
<b>Return after operating charges*</b>	<b>0.79</b>	<b>(3.85)</b>	<b>2.73</b>
Distributions**	(1.76)	(0.26)	-
Retained distributions**	1.76	0.26	-
<b>Closing net asset value</b>	<b>52.10</b>	<b>51.31</b>	<b>55.16</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	1.54	(6.98)	5.21
<b>Other information</b>			
Closing net asset value (£000's)	13,535	17,508	20,087
Closing number of shares	25,977,583	34,123,123	36,418,173
Operating charges (%)	0.19	0.26	0.26
<b>Prices</b>			
Highest dealing price	52.76p	56.86p	56.24p
Lowest dealing price	51.13p	51.08p	51.95p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Government Bonds 97.22% (90.73%)</b>			
<b>Canada 0.80% (0.71%)</b>			
Canada Government Bond 0.5% 01/12/2030	119,000	55	0.40
Canada Government Bond 1.5% 01/06/2031	109,000	54	0.40
		<b>109</b>	<b>0.80</b>
<b>United Kingdom 94.07% (89.02%)</b>			
UK Treasury Bill 0% 16/10/2023	600,000	599	4.42
UK Treasury Bill 0% 23/10/2023	600,000	599	4.42
UK Treasury Bill 0% 30/10/2023	700,000	698	5.16
UK Treasury Bill 0% 06/11/2023	600,000	597	4.41
UK Treasury Bill 0% 13/11/2023	950,000	945	6.98
UK Treasury Bill 0% 20/11/2023	1,200,000	1,192	8.81
UK Treasury Bill 0% 27/11/2023	1,100,000	1,092	8.07
UK Treasury Bill 0% 11/12/2023	800,000	792	5.85
UK Treasury Bill 0% 22/01/2024	350,000	345	2.55
UK Treasury 0.125% 31/01/2024	355,220	350	2.59
UK Treasury Bill 0% 12/02/2024	450,000	442	3.27
UK Treasury Bill 0% 19/02/2024	1,250,000	1,225	9.05
UK Treasury Bill 0% 26/02/2024	1,100,000	1,077	7.96
UK Treasury Bill 0% 04/03/2024	1,000,000	978	7.23
UK Treasury Bill 0% 11/03/2024	1,700,000	1,661	12.27
UK Treasury 0.375% 22/10/2030	95,349	72	0.53
UK Treasury 0.25% 31/07/2031	93,518	68	0.50
		<b>12,732</b>	<b>94.07</b>

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>United States of America 2.35% (1.00%)</b>			
US Treasury 0.625% 15/05/2030	253,300	160	1.18
US Treasury 1.125% 15/02/2031	245,600	158	1.17
		<b>318</b>	<b>2.35</b>
<b>Government Bonds total</b>			
		<b>13,159</b>	<b>97.22</b>
<b>Swaps 0.00% (0.02%)</b>			
Commodity Index Total Return Swap J.P. Morgan Pay 0.04% Receive BCOM Index Excess Return 05/10/2023	209,470	0	0.00
<b>Swaps total</b>			
		<b>0</b>	<b>0.00</b>
<b>Forward Foreign Currency Contracts (0.03)% ((0.07)%)</b>			
Sell CAD 192,000 Buy GBP 115,517 26/10/2023		1	0.01
Sell USD 367,000 Buy GBP 296,893 26/10/2023		(6)	(0.04)
<b>Forward Foreign Currency Contracts total</b>			
		<b>(5)</b>	<b>(0.03)</b>
<b>Futures (0.80)% ((0.32)%)</b>			
Australia 10 Year Bond December 2023	7	(13)	(0.10)
Euro-Bobl December 2023	3	(3)	(0.02)
Euro-Bund December 2023	5	(15)	(0.11)
EURO STOXX 50 Index December 2023	3	(4)	(0.03)
FTSE 100 Index December 2023	1	0	0.00
MSCI Emerging Markets Index December 2023	1	(2)	(0.02)
S&P 500 Emini Index December 2023	6	(57)	(0.42)
TOPIX Mini Index December 2023	13	(7)	(0.05)
US 2 Year Note December 2023	2	0	0.00
US 5 Year Note December 2023	5	(7)	(0.05)
<b>Futures total</b>			
		<b>(108)</b>	<b>(0.80)</b>
<b>Portfolio of investments</b>			
		<b>13,046</b>	<b>96.39</b>
<b>Net other assets</b>			
		<b>489</b>	<b>3.61</b>
<b>Net assets attributable to shareholders</b>			
		<b>13,535</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital losses	2		(249)		(1,583)
Revenue	3	552		145	
Expenses	4	(34)		(53)	
Net revenue before taxation		<b>518</b>		<b>92</b>	
Taxation	5	-		-	
Net revenue after taxation			<b>518</b>		<b>92</b>
<b>Total return before distributions</b>			<b>269</b>		<b>(1,491)</b>
Distributions	6		(518)		(92)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(249)</b>		<b>(1,583)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		17,508		20,087
Amounts receivable on issue of shares	2,368		12,625	
Amounts payable on cancellation of shares	(6,550)		(13,711)	
		<b>(4,182)</b>		<b>(1,086)</b>
Dilution adjustment		1		2
Change in net assets attributable to shareholders from investment activities		(249)		(1,583)
Retained distribution on Accumulation shares		457		88
<b>Closing net assets attributable to shareholders</b>		<b>13,535</b>		<b>17,508</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			13,160		15,890
<b>Current assets</b>					
Debtors	8		2		100
Cash and bank balances	9		508		1,628
<b>Total assets</b>			<b>13,670</b>		<b>17,618</b>
<b>Liabilities</b>					
Investment liabilities			(114)		(70)
<b>Creditors</b>					
Other creditors	10		(21)		(40)
<b>Total liabilities</b>			<b>(135)</b>		<b>(110)</b>
<b>Net assets attributable to shareholders</b>			<b>13,535</b>		<b>17,508</b>



# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Managed Defensive Fund are disclosed on pages 9 to 10.

### 2 Net capital losses

The net capital losses during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	(136)	(472)
Derivative contracts	(129)	(919)
Forward foreign currency contracts	16	(249)
Foreign currency gains	-	57
<b>Net capital losses</b>	<b>(249)</b>	<b>(1,583)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
Interest on debt securities	539	145
Bank interest	24	2
Net revenue return from derivative contracts	(11)	(2)
<b>Total revenue</b>	<b>552</b>	<b>145</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	34	53
<b>Total expenses</b>	<b>34</b>	<b>53</b>

1 Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £10,355).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 5 Taxation

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

#### (a) Factors affecting the total tax charge for the year

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies of 20% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023 £000's	2022 £000's
<b>Net revenue before taxation</b>	<b>518</b>	<b>92</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	104	18
<b>Effects of:</b>		
Movement in excess management expenses	(13)	(12)
Interest distributions deductible for tax purposes	(91)	(6)
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

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

At the balance sheet date, there is a potential deferred tax asset of Nil (2022 – £13,064) in respect of unutilised management expenses.

### 6 Distributions

The distributions, which are on an effective yield basis, take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2023 £000's	2022 £000's
Final Interest distribution	457	88
Add: Revenue deducted on cancellation of shares	106	7
Deduct: Revenue received on issue of shares	(45)	(3)
<b>Distributions</b>	<b>518</b>	<b>92</b>

Details of the distributions per share are set out in the Distribution Table on page 104.

# Notes to the Accounts

## For the year ended 5 October 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's 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	13,159	(108)	15,586	(56)
Level 2: Observable market data	1	(6)	304	(14)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>13,160</b>	<b>(114)</b>	<b>15,890</b>	<b>(70)</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

### 8 Debtors

	2023 £000's	2022 £000's
Sales awaiting settlement	-	99
Accrued revenue	2	1
<b>Total debtors</b>	<b>2</b>	<b>100</b>

### 9 Cash and bank balances

	2023 £000's	2022 £000's
Cash and bank balances	243	1,491
Amounts held at futures clearing houses and brokers	265	137
<b>Total cash and bank balances</b>	<b>508</b>	<b>1,628</b>

### 10 Other creditors

	2023 £000's	2022 £000's
Amounts payable for cancellation of shares	16	18
Accrued expenses	5	22
<b>Total other creditors</b>	<b>21</b>	<b>40</b>

### 11 Contingent liabilities

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

### 12 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

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

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 – Nil).

### 13 Share classes

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

The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 94.

The distributions per share class are given in the Distribution Table on page 104.

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £1,304,600 (2022 - £1,582,000).

#### 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 Authorised Corporate Director 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.

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.

#### Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

#### 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.

The Fund may invest in fixed rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

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

#### 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 and amounts held or overdrawn at futures clearing houses and brokers 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.

#### Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

Although the Fund may enter into derivative contracts for specific investment purposes in addition to being used for efficient management it is not the current intention to use derivatives for specific investment purposes.

During the year the Fund entered into derivative contracts for the efficient management of the Fund.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Global risk exposure

#### Absolute VaR approach

The approach used for the Funds managed with an absolute return target, an absolute volatility limit or a target of outperforming an interest rate benchmark.

#### Regulatory VaR limit utilisation

	2023			2022		
	Lowest	Highest	Average	Lowest	Highest	Average
	3.82%	12.03%	7.56%	3.89%	18.33%	11.45%

#### Information on VaR Model

Model type	Length of data history	2023		Holding period	Length of data history	2022	
		Confidence level	Holding period			Confidence level	Holding period
Parametric VaR	All available history	99.00%	20 days		All available history	99.00%	20 days

### Leverage

#### Information on the limit usage and level of leverage

The level of leverage is an indication of the derivative usage and of any leverage generated by the reinvestment of cash received as collateral when using efficient portfolio management techniques. It does not take into account other physical assets directly held in the portfolio of the Fund. The figure is not representative of the maximum amount that a Fund could lose, as it includes the derivatives used to protect the Net Asset Value of a Fund as well as the derivatives backed by risk free assets and derivatives which do not generate any incremental exposure, leverage or market risk from an economic perspective. The reported leverage figure is therefore not a true representation of the economic leverage<sup>1</sup> in the Fund.

The level of leverage disclosed is based on the total notional value<sup>2</sup> of all derivative instruments held by a Fund and is expressed as a percentage of the Fund's Net Asset Value. For the purpose of this calculation the holdings and offset derivative positions (long and short positions) do not cancel each other out and the figure is a sum of the total holdings.

#### Leverage

	2023				2022			
	Lowest	Highest	Average	Leverage 5 October	Lowest	Highest	Average	Leverage 5 October
	9.31%	50.88%	23.82%	34.86%	12.58%	101.07%	46.89%	14.46%

1 Where economic leverage is the sum of derivative commitments (calculated in line with European Securities and Markets Authority 10/788) and excludes derivatives used within hedging arrangements, derivatives whose commitments is covered by risk free assets and derivatives which are not considered to generate any incremental exposure and leverage or market risk.

2 Delta adjusted in line with European Securities and Markets Authority 10/788 when appropriate.

## 15 Debt security credit analysis

	2023 £000's	2022 £000's
Investment grade securities	13,159	15,885
<b>Total debt securities</b>	<b>13,159</b>	<b>15,885</b>

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 16 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>						
Bonds	29,620	-	-	29,620	-	-
<b>Sales</b>						
Bonds	32,749	-	-	32,749	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Bonds	45,737	-	-	45,737	-	-
<b>Sales</b>						
Bonds	48,489	-	-	48,489	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was Nil (2022 - Nil).

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.

### 17 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares in issue 5.10.23
F Accumulation shares	34,123,123	4,614,835	(12,760,375)	25,977,583

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 18 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Commodity index total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>Barclays</b>										
2023	(1)	-	-	-	-	-	-	-	-	(1)
2022	-	-	-	-	-	-	-	-	-	-
<b>BNP Paribas</b>										
2023	1	-	-	-	-	-	-	-	-	1
2022	-	-	-	-	-	-	-	-	-	-
<b>J.P. Morgan</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(11)	-	-	-	-	3	-	-	-	(8)
<b>Lloyds</b>										
2023	(2)	-	-	-	-	-	-	-	-	(2)
2022	-	-	-	-	-	-	-	-	-	-
<b>Morgan Stanley</b>										
2023	(3)	-	-	-	-	-	-	-	-	(3)
2022	-	-	-	-	-	-	-	-	-	-
<b>UBS</b>										
2023	-	-	-	-	-	-	-	-	-	-
2022	(1)	-	-	-	-	-	-	-	-	(1)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2022 – Nil).

### 19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Number of shares in issue 29.1.24	Number of shares in issue 5.10.23	% change	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	23,322,853	25,977,583	(10.22)	54.51p	52.10p	4.63

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.7576p	-	1.7576p	0.2588p
Group 2	0.8076p	0.9500p	1.7576p	0.2588p

## Equalisation

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

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



# Securities Financing Transactions (unaudited)

The Fund engaged in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, these include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions and Total Return Swaps). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to Securities Financing Transactions (SFTs) for the accounting year ended 5 October 2023 are detailed below.

## Global data

### Amount of assets engaged in each type of SFTs and Total Return Swaps

The following table represents the fair value of assets engaged in each type of SFTs (including Total Return Swaps) in the Fund currency.

	Amount of assets £000's	% of Lendable assets	% of AUM
Total Return Swaps	-	0.00%	0.00%

## Concentration data

### Ten largest collateral issuers

As at 5 October 2023, there are no collateral securities and commodities received in respect of Total Return Swaps.

### Top ten counterparties

The following table provides details of the top ten counterparties (based on gross volume of outstanding transactions), in respect of SFTs and Total Return Swaps, as at the reporting date.

Counterparty	Outstanding Transactions £000's
Total Return Swaps	
J.P. Morgan	-

## Aggregate transaction data

### Type and quality of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

### Maturity tenor of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

### Currency of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

### Maturity tenor of SFTs and Total Return Swaps

The following table provides an analysis of the maturity tenor in respect to SFTs and Total Return Swaps, as at the reporting date.

Maturity	Less than 1 day £000's	1 to 7 days £000's	1 to 4 weeks £000's	1 to 3 months £000's	3 to 12 months £000's	More than 1 year £000's	Open maturity £000's	Total £000's
Total Return Swaps	-	-	-	-	-	-	-	-

### Country in which counterparties are established

The following table provides details of the country of incorporation of counterparties across all SFTs and Total Return Swaps, as at the reporting date.

Counterparty	Country of Incorporation
J.P. Morgan	United Kingdom

### Settlement and clearing

Type	Settlement	Total Value outstanding £000's
Total Return Swaps	Bilateral	-

### Data on re use of collateral

#### Share of collateral received that is reused and reinvestment return

Cash collateral received in the context of Total Return Swaps transactions may be reused in accordance with the provisions contained within the Prospectus, however the fund does not currently reinvest cash collateral received in respect of Total Return Swaps.

#### Collateral received

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

# Securities Financing Transactions (unaudited)

## (continued)

### Collateral granted

As at the balance sheet date, no collateral was granted in respect of Total Return Swaps.

### Return and cost

#### Gross Return

All returns from Total Return Swaps transactions accrue to the fund and are not subject to any returns sharing arrangements with the Authorised Corporate Director or any other third party. Returns from those instruments are disclosed in note 2 to the financial statements.

	Total Return Swaps return* £000's	% of overall returns
Net interest on Total Return Swaps	3	5.88
Net realised losses	26	50.98
Net change in unrealised gain	2	43.14
<b>Total</b>	<b>31</b>	<b>100.00</b>

\*Expressed in absolute terms.

# Schroder Blended Portfolio 3

## Fund Information

### Investment objective and policy

Schroder Blended Portfolio 3 (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 30% to 45% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 3, which aims to be the lowest risk fund in this range with the lowest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies;
- (D) alternative assets; and
- (E) derivatives.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests up to 35% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives directly.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

*With effect from 14 March 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 30% to 45% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 3, which aims to be the lowest risk fund in this range with the lowest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests up to 35% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 0-35% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 1.23%. In comparison, Investment Association Mixed Investment 0-35% Shares Sector Average generated a total return of 1.06%<sup>1</sup>.**

We are monitoring the economic and market environment to understand the risks and opportunities that may arise. A key concern remains inflation and the resulting consequences. We believe that central banks will be reluctant to cut interest rates until they consider inflation is clearly under control.

Given this, we remain cautiously optimistic about our fixed income allocation. We expect the defensive characteristics of government bonds to re-assert themselves as inflationary pressures continue to fall. This offers protection against the potential for a more meaningful growth slowdown. We have increased our exposure to Emerging Market Debt (EMD). These are bonds issued by a government or companies, in emerging market countries such as Brazil and India, to borrow money from investors. We believe debt issued by emerging market governments is currently well priced relative to the risks associated in these markets. We expect this will provide an opportunity for higher yields going forward. Overall, we are maintaining exposure to higher quality credit bonds.

Alongside the delayed effects of a rapid rise in interest rates, there are ongoing recessionary risks in the equity market. In this environment, we believe that higher-quality and defensive businesses will be resilient. Quality companies are typically those with strong balance sheets, low levels of debt, and a history of generating stable earnings and cash flows. In line with our preference for larger companies with defensive quality characteristics, we added the Fidelity Global Dividend Fund to the Global Equity allocation in April 2023.

Over the last 18 months we have leaned into value or growth orientated strategies in markets and regions we deemed appropriate and beneficial. Growth stocks tend to be companies with high earnings growth potential, often in emerging industries or with innovative products or services. Value stocks are those that are undervalued by the market, often due to temporary setbacks or challenges. Historically, growth and value stocks have tended to perform differently in different market environments. As we approach the transitional period from interest rate increases, to pausing, and eventually cutting interest rates, we believe that a more equal weighting to these investing strategies is prudent.

We're using alternative assets to provide investors with additional diversification in the face of volatility. Alternatives are investments outside of the traditional asset classes of equities, bonds and cash. We're focusing on return-enhancing and risk-diversifying funds, and we're tilted towards assets like hedge funds, infrastructure and specialised property. If we move to return-enhancing assets, we'll need to balance the level of risk we take on with the potential for generating returns.

In April 2023 we made changes to our Strategic Asset Allocation. In our latest return forecast, we revised up the return we expect on cash over the long-term which in turn, led us to revise up expected returns for other asset classes. As a result, we increased exposure to government bonds within the portfolio, funded through a reduction in equities. This provides an opportunity for the portfolio to deliver its expected level of long-term return at a slightly lower level of expected risk. We also adjusted the regional allocation within Equities. We reduced the allocation to UK, Japanese and Emerging Market Equities and increased the allocation to US Equities. We also increased the allocation to the Global Equity asset class.

An allocation of 60% exposure to active funds and 40% exposure to passive funds remains appropriate. Our analysis evaluates the state of the global economy using data on a broad range of components which tracks global activity trends. When the data indicates a negative outlook and a slowdown in the economy, we typically allocate larger portions to active managers and vice versa. Within each asset class, the split between active and passive managers can differ. We allocate to active managers where we believe they will add the most value.

**CIO, Schroder Investment Solutions:  
Alex Funk**



Alex has many years of financial services experience which ranges from discretionary fund management, corporate finance, banking, capital raising, private equity to venture capital

Alex started managing a discretionary fund management business in South Africa and Mauritius, where he designed and managed model portfolios for financial advisers and wealth management firms across the world

Alex has extensive experience in managing multi-asset portfolios in the UK and is responsible for a range of portfolios and funds

Alex holds a Bcom Honours in Financial Analysis (Cum Laude) from the University of Stellenbosch, South Africa and is a CFA Charterholder

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares			Z Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>						
Opening net asset value	55.60	59.70	56.19	49.78	53.45	50.32
Return before operating charges*	0.98	(3.79)	3.85	0.88	(3.39)	3.44
Operating charges	(0.31)	(0.31)	(0.34)	(0.28)	(0.28)	(0.31)
<b>Return after operating charges*</b>	<b>0.67</b>	<b>(4.10)</b>	<b>3.51</b>	<b>0.60</b>	<b>(3.67)</b>	<b>3.13</b>
Distributions**	(0.75)	(0.53)	(0.34)	(0.67)	(0.48)	(0.30)
Retained distributions**	0.75	0.53	0.34	0.67	0.48	0.30
<b>Closing net asset value</b>	<b>56.27</b>	<b>55.60</b>	<b>59.70</b>	<b>50.38</b>	<b>49.78</b>	<b>53.45</b>
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges (%)	1.21	(6.87)	6.25	1.21	(6.87)	6.22
<b>Other information</b>						
Closing net asset value (£000's)	17,594	8,923	8,300	10,007	4,808	742
Closing number of shares	31,266,374	16,048,541	13,902,436	19,863,146	9,657,195	1,388,762
Operating charges (%)	0.54	0.53	0.51	0.54	0.53	0.51
<b>Prices</b>						
Highest dealing price	58.19p	61.19p	60.87p	52.10p	54.79p	54.50p
Lowest dealing price	56.64p	55.00p	55.91p	48.92p	49.24p	50.07p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 97.78% (98.88%)</b>			
<b>Absolute Return Funds 0.01% (0.00%)</b>			
AQR Alternative Trends Fund IDG3 GBP Dis	9	1	0.01
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund A2 GBP Cap	10	1	0.00
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund Class I GBP Acc	10	1	0.00
Lyxor / Tiedemann Arbitrage Strategy Fund - Class SI GBP	9	1	0.00
Vontobel TwentyFour Absolute Return Credit Fund AQNG GBP	10	1	0.00
		<b>5</b>	<b>0.01</b>
<b>Asia Pacific ex Japan Equity Funds 0.32% (0.31%)</b>			
First Sentier Investors FSSA Asia Focus Fund - Class B (Accumulation) GBP	41,052	88	0.32
		<b>88</b>	<b>0.32</b>
<b>Cash Funds 6.10% (6.19%)</b>			
Royal London Short-Term Money Market Fund - Accumulation Class Y Shares	1,572,346	1,684	6.10
		<b>1,684</b>	<b>6.10</b>
<b>Emerging Markets Equity Funds 0.53% (0.00%)</b>			
Fidelity Emerging Markets Fund - R Accumulation Shares	137,266	144	0.52
Redwheel Global Emerging Markets Fund Class S GBP DIST	11	1	0.01
		<b>145</b>	<b>0.53</b>
<b>Europe ex UK Equity Funds 2.11% (2.35%)</b>			
Fidelity Index Europe ex UK Fund - P Accumulation Shares	90,950	175	0.63

	Holding at 5.10.23	Market Value £000's	% of net assets
J O Hambro Capital Management Umbrella Fund - Continental European Fund X GBP	311,627	350	1.27
Premier Miton European Opportunities Fund Class F Accumulation Shares	21,937	57	0.21
		<b>582</b>	<b>2.11</b>
<b>Global Corporate Bond Funds 7.15% (0.00%)</b>			
Schroder Cat Bond Fund Class PI Distribution GBP Hedged†	10	1	0.00
Vanguard Global Short-Term Corp Bond Index Fund Institutional Plus GBP Hedged Acc	19,357	1,973	7.15
		<b>1,974</b>	<b>7.15</b>
<b>Global Emerging Markets Equity Funds 0.67% (1.14%)</b>			
Artemis SmartGARP Global Emerging Markets Equity Fund - Class I accumulation shares GBP	51,068	88	0.32
Federated Hermes Global Emerging Markets SMID Equity Fund - Class L Stg£ Acc. Shares	40,272	32	0.12
Vanguard Emerging Markets Stock Index Fund - Institutional Plus GBP Acc	443	63	0.23
		<b>183</b>	<b>0.67</b>
<b>Global Emerging Markets Fixed Interest Funds 3.43% (2.24%)</b>			
M&G Emerging Markets Bond Fund Sterling Class PP-H - Income shares	1,262,383	947	3.43
		<b>947</b>	<b>3.43</b>
<b>Global Equity Funds 9.05% (7.70%)</b>			
Fidelity Global Dividend Fund - R Income (monthly) Shares	322,959	327	1.19
Fidelity Index World Fund - P Accumulation Shares	256,191	724	2.62
Fulcrum Equity Dispersion Fund Class I (GBP) HSC	8	1	0.00

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Lazard Global Thematic Focus Fund J Dist GBP	4,084	426	1.54	Neuberger Berman Uncorrelated Strategies Fund - GBP I2 Accumulating Class	96,634	1,049	3.80
RobecoSAM Sustainable Water Equities Fund - G GBP	392	101	0.37	Schroder GAIA Contour Tech Equity Fund Class C Accumulation GBP Hedged <sup>†</sup>	10	1	0.01
Schroder Global Sustainable Value Equity Fund Class Q1 Accumulation GBP <sup>†</sup>	412,046	222	0.80			<b>2,062</b>	<b>7.47</b>
Trojan Ethical Fund, X Accumulation	590,156	699	2.53	<b>Japanese Equity Funds 1.20% (2.08%)</b>			
		<b>2,500</b>	<b>9.05</b>	Fidelity Index Japan Fund - P Accumulation Shares	66,212	133	0.48
<b>Global Fixed Interest Funds 44.69% (46.73%)</b>				JPM Japan Fund - C Net Accumulation	44,352	130	0.47
HSBC Global Government Bond Fund Class:S2CHGBP	564,330	5,227	18.94	WS Morant Wright Nippon Yield Fund, B Income	16,867	70	0.25
Jupiter Strategic Bond Fund - I-Class Accumulation Units	1,200,039	1,177	4.27			<b>333</b>	<b>1.20</b>
MI TwentyFour Investment Funds - Dynamic Bond Fund - I Accumulation Shares	7,371	1,221	4.42	<b>Multi Asset Funds 2.48% (2.38%)</b>			
Royal London International Government Bond Fund - Income Class M Shares	2,604,517	2,592	9.39	Schroder SSF Diversified Alternative Assets Fund Class S Distribution GBP <sup>†</sup>	7,652	684	2.48
Schroder Strategic Credit Fund - Class S Accumulation GBP <sup>†</sup>	657,217	1,230	4.46			<b>684</b>	<b>2.48</b>
Vanguard Investment Series - Global Short Term Bond Index Fund GBP Hedged Acc	8,368	885	3.21	<b>Property Funds 2.49% (2.52%)</b>			
		<b>12,332</b>	<b>44.69</b>	iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK) - Class D Income GBP	444,054	686	2.49
<b>Hedge Funds 7.47% (7.88%)</b>						<b>686</b>	<b>2.49</b>
Lumyna - BOFA MLCX Commodity Alpha Fund - GBP E1 (acc)	10	1	0.00	<b>UK Equity Funds 5.54% (6.66%)</b>			
MontLake Crabel Gemini Fund - GBP Institutional A Pooled Class Shares	9,958	1,010	3.66	ES River and Mercantile UK Listed Smaller Companies Fund S Accumulation	73,885	143	0.52
MontLake Platform Dunn WMA Institutional Fund GBP Institutional Class B Pooled Shares	7	1	0.00	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund Class: Accumulation C	87,861	620	2.25
				J O Hambro Capital Management UK Dynamic Fund - Y GBP Acc	540,205	532	1.93
				TB Evenlode Income C	94,935	233	0.84
						<b>1,528</b>	<b>5.54</b>



# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
<b>UK Fixed Interest Funds 0.00% (3.63%)</b>							
<b>US Equity Funds 4.54% (7.07%)</b>							
Artemis US Smaller Companies Fund - Class I accumulation shares, GBP	61,340	179	0.65	HSBC Index Tracker Investment Funds - American Index Fund - Class: Accumulation C	89,568	884	3.20
Fisher Investments Institutional US Small and Mid-Cap Core Equity Fund - Sterling Class Shares (unhedged)	10	1	0.00	Neuberger Berman US Large Cap Value Fund - GBP I4 Distributing Class - Unhedged	19,320	192	0.69
						<b>1,256</b>	<b>4.54</b>
				<b>Collective Investment Schemes total</b>		<b>26,989</b>	<b>97.78</b>
				<b>Portfolio of investments</b>		<b>26,989</b>	<b>97.78</b>
				<b>Net other assets</b>		<b>612</b>	<b>2.22</b>
				<b>Net assets attributable to shareholders</b>		<b>27,601</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 11).

## Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital losses	2		(310)		(976)
Revenue	3	400		160	
Expenses	4	(42)		(22)	
Net revenue before taxation		<b>358</b>		<b>138</b>	
Taxation	5	(53)		(22)	
Net revenue after taxation			<b>305</b>		<b>116</b>
<b>Total return before distributions</b>			<b>(5)</b>		<b>(860)</b>
Distributions	6		(305)		(116)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(310)</b>		<b>(976)</b>

## Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		13,731		9,042
Amounts receivable on issue of shares	17,088		9,888	
Amounts payable on cancellation of shares	(3,274)		(4,354)	
		<b>13,814</b>		<b>5,534</b>
Change in net assets attributable to shareholders from investment activities		(310)		(976)
Retained distribution on Accumulation shares		366		131
<b>Closing net assets attributable to shareholders</b>		<b>27,601</b>		<b>13,731</b>

## Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			26,989		13,577
<b>Current assets</b>					
Debtors	8		78		6
Cash and bank balances			605		230
<b>Total assets</b>			<b>27,672</b>		<b>13,813</b>
<b>Liabilities</b>					
<b>Creditors</b>					
Other creditors	9		(71)		(82)
<b>Total liabilities</b>			<b>(71)</b>		<b>(82)</b>
<b>Net assets attributable to shareholders</b>			<b>27,601</b>		<b>13,731</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Blended Portfolio 3 are disclosed on pages 9 to 10.

### 2 Net capital losses

The net capital losses during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	(310)	(979)
Annual management charge rebates	-	3
<b>Net capital losses</b>	<b>(310)</b>	<b>(976)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
Franked distributions	95	30
Unfranked distributions	8	-
Interest distributions	279	127
Bank interest	13	1
Annual management charge rebates	5	2
<b>Total revenue</b>	<b>400</b>	<b>160</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	42	22
<b>Total expenses</b>	<b>42</b>	<b>22</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 - £10,628).

### 5 Taxation

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

	2023	2022
	£000's	£000's
Corporation tax	53	22
<b>Total current tax (Note 5(b))</b>	<b>53</b>	<b>22</b>

Corporation tax has been provided for at a rate of 20% (2022 - 20%).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies of 20% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023 £000's	2022 £000's
<b>Net revenue before taxation</b>	<b>358</b>	<b>138</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	71	28
<b>Effects of:</b>		
Revenue not subject to corporation tax	(19)	(7)
Tax on capital items	-	1
<b>Total tax charge for the year (Note 5(a))</b>	<b>53</b>	<b>22</b>

## 6 Distributions

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

	2023 £000's	2022 £000's
Final Dividend distribution	366	131
Add: Revenue deducted on cancellation of shares	18	6
Deduct: Revenue received on issue of shares	(79)	(21)
<b>Distributions</b>	<b>305</b>	<b>116</b>
Net revenue after taxation	305	116
<b>Distributions</b>	<b>305</b>	<b>116</b>

Details of the distributions per share are set out in the Distribution Table on page 120.

## 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's 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	-	-	-	-
Level 2: Observable market data	26,989	-	13,577	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>26,989</b>	<b>-</b>	<b>13,577</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	61	–
Accrued revenue	17	6
<b>Total debtors</b>	<b>78</b>	<b>6</b>

### 9 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	14	55
Accrued expenses	5	5
Corporation tax payable	52	22
<b>Total other creditors</b>	<b>71</b>	<b>82</b>

### 10 Contingent liabilities

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

### 11 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £5,457 (2022 – £4,603) are disclosed under Net capital losses and Revenue in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 – 0.01%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £62,257 (2022 – £30,482) is included under Revenue in the Notes to the Accounts.

### 12 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 110.

The distributions per share class are given in the Distribution Table on page 120.

Both classes have the same rights on winding up.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 13 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 Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £2,698,900 (2022 - £1,357,700).

#### Foreign currency risk

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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 positions will be affected by fluctuations in interest rates.

At the year end date 2.19% (2022 - 1.68%) 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 and amounts held or overdrawn at futures clearing houses and brokers 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.

### 14 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. For prior year transaction costs please refer to the below table.

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	23,030	-	-	23,030	-	-
<b>Sales</b>						
Collective Investment Schemes	9,332	-	-	9,332	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	15,173	-	-	15,173	-	-
<b>Sales</b>						
Collective Investment Schemes	9,480	-	-	9,480	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Average portfolio dealing spread

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

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.

### 15 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 5.10.23
F Accumulation shares	16,048,541	20,024,922	(4,807,089)	–	31,266,374
Z Accumulation shares	9,657,195	11,276,130	(1,070,179)	–	19,863,146

### 16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	59.25p	56.19p	5.45

Z Accumulation shares converted into F Accumulation shares on 23 November 2023.

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	0.7460p	–	0.7460p	0.5309p
Group 2	0.4928p	0.2532p	0.7460p	0.5309p
<b>Z Accumulation shares</b>				
Group 1	0.6687p	–	0.6687p	0.4768p
Group 2	0.4139p	0.2548p	0.6687p	0.4768p

## Equalisation

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

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



# Schroder Blended Portfolio 4

## Fund Information

### Investment objective and policy

Schroder Blended Portfolio 4 (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 40% to 55% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 4, which aims to be the second lowest risk fund in this range with the second lowest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.
- (E) derivatives.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests between 20% and 60% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives directly.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

*With effect from 14 March 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 40% to 55% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 4, which aims to be the second lowest risk fund in this range with the second lowest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests between 20% and 60% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 20-60% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 2.22%. In comparison, Investment Association Mixed Investment 20-60% Shares Sector Average generated a total return of 2.11%<sup>1</sup>.**

We are monitoring the economic and market environment to understand the risks and opportunities that may arise. A key concern remains inflation and the resulting consequences. We believe that central banks will be reluctant to cut interest rates until they consider inflation is clearly under control.

Given this, we remain cautiously optimistic about our fixed income allocation. We expect the defensive characteristics of government bonds to re-assert themselves as inflationary pressures continue to fall. This offers protection against the potential for a more meaningful growth slowdown. We have increased our exposure to Emerging Market Debt (EMD). These are bonds issued by a government or companies, in emerging market countries such as Brazil and India, to borrow money from investors. We believe debt issued by emerging market governments is currently well priced relative to the risks associated in these markets. We expect this will provide an opportunity for higher yields going forward. Overall, we are maintaining exposure to higher quality credit bonds.

Alongside the delayed effects of a rapid rise in interest rates, there are ongoing recessionary risks in the equity market. In this environment, we believe that higher-quality and defensive businesses will be resilient. Quality companies are typically those with strong balance sheets, low levels of debt, and a history of generating stable earnings and cash flows. In line with our preference for larger companies with defensive quality characteristics, we added the Fidelity Global Dividend Fund to the Global Equity allocation in April 2023.

Over the last 18 months we have leaned into value or growth orientated strategies in markets and regions we deemed appropriate and beneficial. Growth stocks tend to be companies with high earnings growth potential, often in emerging industries or with innovative products or services. Value stocks are those that are undervalued by the market, often due to temporary setbacks or challenges. Historically, growth and value stocks have tended to perform differently in different market environments. As we approach the transitional period from interest rate increases, to pausing, and eventually cutting interest rates, we believe that a more equal weighting to these investing strategies is prudent.

We're using alternative assets to provide investors with additional diversification in the face of volatility. Alternatives are investments outside of the traditional asset classes of equities, bonds and cash. We're focusing on return-enhancing and risk-diversifying funds, and we're tilted towards assets like hedge funds, infrastructure and specialised property. If we move to return-enhancing assets, we'll need to balance the level of risk we take on with the potential for generating returns.

In April 2023 we made changes to our Strategic Asset Allocation. In our latest return forecast, we revised up the return we expect on cash over the long-term which in turn, led us to revise up expected returns for other asset classes. As a result, we increased exposure to government bonds within the portfolio, funded through a reduction in equities. This provides an opportunity for the portfolio to deliver its expected level of long-term return at a slightly lower level of expected risk. We also adjusted the regional allocation within Equities. We reduced the allocation to UK, Japanese and Emerging Market Equities and increased the allocation to US Equities. We also increased the allocation to the Global Equity asset class.

An allocation of 60% exposure to active funds and 40% exposure to passive funds remains appropriate. Our analysis evaluates the state of the global economy using data on a broad range of components which tracks global activity trends. When the data indicates a negative outlook and a slowdown in the economy, we typically allocate larger portions to active managers and vice versa. Within each asset class, the split between active and passive managers can differ. We allocate to active managers where we believe they will add the most value.

**CIO, Schroder Investment Solutions:  
Alex Funk**



Alex has many years of financial services experience which ranges from discretionary fund management, corporate finance, banking, capital raising, private equity to venture capital

Alex started managing a discretionary fund management business in South Africa and Mauritius, where he designed and managed model portfolios for financial advisers and wealth management firms across the world

Alex has extensive experience in managing multi-asset portfolios in the UK and is responsible for a range of portfolios and funds

Alex holds a Bcom Honours in Financial Analysis (Cum Laude) from the University of Stellenbosch, South Africa and is a CFA Charterholder

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares			Z Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>						
Opening net asset value	59.12	63.17	57.53	51.75	55.30	50.37
Return before operating charges*	1.66	(3.70)	6.02	1.45	(3.25)	5.26
Operating charges	(0.36)	(0.35)	(0.38)	(0.31)	(0.30)	(0.33)
<b>Return after operating charges*</b>	<b>1.30</b>	<b>(4.05)</b>	<b>5.64</b>	<b>1.14</b>	<b>(3.55)</b>	<b>4.93</b>
Distributions**	(0.81)	(0.59)	(0.43)	(0.71)	(0.51)	(0.38)
Retained distributions**	0.81	0.59	0.43	0.71	0.51	0.38
<b>Closing net asset value</b>	<b>60.42</b>	<b>59.12</b>	<b>63.17</b>	<b>52.89</b>	<b>51.75</b>	<b>55.30</b>
*after direct transaction costs of	-	-	(0.01)	-	-	(0.01)
<b>Performance</b>						
Return after charges (%)	2.20	(6.41)	9.80	2.20	(6.42)	9.79
<b>Other information</b>						
Closing net asset value (£000's)	53,815	24,295	18,146	23,567	9,525	3,441
Closing number of shares	89,064,869	41,093,526	28,727,452	44,554,694	18,404,694	6,223,042
Operating charges (%)	0.59	0.56	0.55	0.59	0.56	0.55
Direct transaction costs (%)	-	-	0.01	-	-	0.01
<b>Prices</b>						
Highest dealing price	62.69p	65.36p	64.77p	54.88p	57.22p	56.70p
Lowest dealing price	57.94p	58.27p	57.28p	50.72p	51.01p	50.14p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 97.13% (97.51%)</b>			
<b>Absolute Return Funds 0.00% (0.00%)</b>			
AQR Alternative Trends Fund IDG3 GBP Dis	9	1	0.00
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund A2 GBP Cap	10	1	0.00
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund Class I GBP Acc	10	1	0.00
Lyxor / Tiedemann Arbitrage Strategy Fund - Class SI GBP	9	1	0.00
Vontobel TwentyFour Absolute Return Credit Fund AQNG GBP	10	1	0.00
		<b>5</b>	<b>0.00</b>
<b>Asia Pacific ex Japan Equity Funds 0.58% (1.01%)</b>			
First Sentier Investors FSSA Asia Focus Fund - Class B (Accumulation) GBP	206,859	445	0.58
		<b>445</b>	<b>0.58</b>
<b>Cash Funds 1.97% (2.03%)</b>			
Royal London Short-Term Money Market Fund - Accumulation Class Y Shares	1,425,590	1,527	1.97
		<b>1,527</b>	<b>1.97</b>
<b>Europe ex UK Equity Funds 3.74% (3.27%)</b>			
Fidelity Index Europe ex UK Fund - P Accumulation Shares	453,499	874	1.13
J O Hambro Capital Management Umbrella Fund - Continental European Fund X GBP	1,545,782	1,738	2.25
Premier Miton European Opportunities Fund Class F Accumulation Shares	107,740	280	0.36
		<b>2,892</b>	<b>3.74</b>

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Global Corporate Bond Funds 5.77% (0.00%)</b>			
Schroder Cat Bond Fund Class PI Distribution GBP Hedged <sup>†</sup>	10	1	0.00
Vanguard Global Short-Term Corp Bond Index Fund Institutional Plus GBP Hedged Acc	43,826	4,466	5.77
		<b>4,467</b>	<b>5.77</b>
<b>Global Emerging Markets Equity Funds 2.16% (4.20%)</b>			
Artemis SmartGARP Global Emerging Markets Equity Fund - Class I accumulation shares GBP	265,080	458	0.59
Federated Hermes Global Emerging Markets SMID Equity Fund - Class L Stg£ Acc. Shares	208,782	166	0.21
Fidelity Emerging Markets Fund - R Accumulation Shares	698,974	734	0.95
Redwheel Global Emerging Markets Fund Class S GBP DIST	11	1	0.00
Vanguard Emerging Markets Stock Index Fund - Institutional Plus GBP Acc	2,231	318	0.41
		<b>1,677</b>	<b>2.16</b>
<b>Global Emerging Markets Fixed Interest Funds 2.90% (1.90%)</b>			
M&G Emerging Markets Bond Fund Sterling Class PP-H - Income shares	2,987,335	2,241	2.90
		<b>2,241</b>	<b>2.90</b>
<b>Global Equity Funds 14.27% (10.95%)</b>			
Fidelity Global Dividend Fund - R Income (monthly) Shares	1,543,980	1,566	2.02
Fidelity Index World Fund - P Accumulation Shares	1,280,066	3,620	4.68
Fulcrum Equity Dispersion Fund Class I (GBP) HSC	8	1	0.00
Lazard Global Thematic Focus Fund J Dist GBP	19,260	2,009	2.60

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets
RobecoSAM Sustainable Water Equities Fund - G GBP	1,924	497	0.65
Schroder Global Sustainable Value Equity Fund Class Q1 Accumulation GBP†	1,910,694	1,029	1.33
Trojan Ethical Fund, X Accumulation	1,956,602	2,317	2.99
		<b>11,039</b>	<b>14.27</b>
<b>Global Fixed Interest Funds 31.16% (33.76%)</b>			
HSBC Global Government Bond Fund Class:S2CHGBP	1,008,511	9,341	12.07
Jupiter Strategic Bond Fund - I-Class Accumulation Units	2,763,842	2,710	3.50
MI TwentyFour Investment Funds - Dynamic Bond Fund - I Accumulation Shares	16,506	2,735	3.54
Royal London International Government Bond Fund - Income Class M Shares	4,806,264	4,783	6.18
Schroder Strategic Credit Fund - Class S Accumulation GBP†	1,513,669	2,832	3.66
Vanguard Investment Series - Global Short Term Bond Index Fund GBP Hedged Acc	16,190	1,713	2.21
		<b>24,114</b>	<b>31.16</b>
<b>Hedge Funds 8.98% (9.04%)</b>			
Lumyna - BOFA MLCX Commodity Alpha Fund - GBP E1 (acc)	10	1	0.00
MontLake Crabel Gemini Fund - GBP Institutional A Pooled Class Shares	33,451	3,393	4.39
MontLake Platform Dunn WMA Institutional Fund GBP Institutional Class B Pooled Shares	7	1	0.00
Neuberger Berman Uncorrelated Strategies Fund - GBP I2 Accumulating Class	327,330	3,555	4.59

	Holding at 5.10.23	Market Value £000's	% of net assets
Schroder GAIA Contour Tech Equity Fund Class C Accumulation GBP Hedged†	10	1	0.00
		<b>6,951</b>	<b>8.98</b>
<b>Japanese Equity Funds 2.09% (2.74%)</b>			
Fidelity Index Japan Fund - P Accumulation Shares	328,405	657	0.85
JPM Japan Fund - C Net Accumulation	214,474	628	0.81
WS Morant Wright Nippon Yield Fund, B Income	80,916	335	0.43
		<b>1,620</b>	<b>2.09</b>
<b>Multi Asset Funds 2.94% (2.97%)</b>			
Schroder SSF Diversified Alternative Assets Fund Class S Distribution GBP†	25,425	2,271	2.94
		<b>2,271</b>	<b>2.94</b>
<b>Property Funds 2.90% (2.85%)</b>			
iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK) - Class D Income GBP	1,453,866	2,246	2.90
		<b>2,246</b>	<b>2.90</b>
<b>UK Equity Funds 9.33% (11.38%)</b>			
ES River and Mercantile UK Listed Smaller Companies Fund S Accumulation	347,069	671	0.87
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund Class: Accumulation C	428,466	3,023	3.91
J O Hambro Capital Management UK Dynamic Fund - Y GBP Acc	2,517,071	2,477	3.20
TB Evenlode Income C	426,704	1,046	1.35
		<b>7,217</b>	<b>9.33</b>
<b>UK Fixed Interest Funds 0.00% (2.87%)</b>			
<b>US Equity Funds 8.34% (8.54%)</b>			
Artemis US Smaller Companies Fund - Class I accumulation shares, GBP	316,321	923	1.19

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Fisher Investments Institutional US Small and Mid-Cap Core Equity Fund - Sterling Class Shares (unhedged)	10	1	0.00	Neuberger Berman US Large Cap Value Fund - GBP I4 Distributing Class - Unhedged	95,801	950	1.23
HSBC Index Tracker Investment Funds - American Index Fund - Class: Accumulation C	463,655	4,577	5.92			<b>6,451</b>	<b>8.34</b>
				<b>Collective Investment Schemes total</b>		<b>75,163</b>	<b>97.13</b>
				<b>Portfolio of investments</b>		<b>75,163</b>	<b>97.13</b>
				<b>Net other assets</b>		<b>2,219</b>	<b>2.87</b>
				<b>Net assets attributable to shareholders</b>		<b>77,382</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 11).

# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital losses	2		(451)		(2,265)
Revenue	3	1,004		395	
Expenses	4	(106)		(54)	
Net revenue before taxation		<b>898</b>		<b>341</b>	
Taxation	5	(101)		(45)	
Net revenue after taxation			<b>797</b>		<b>296</b>
<b>Total return before distributions</b>			<b>346</b>		<b>(1,969)</b>
Distributions	6		(797)		(297)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>(451)</b>		<b>(2,266)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		33,820		21,587
Amounts receivable on issue of shares	49,487		17,771	
Amounts payable on cancellation of shares	(6,514)		(3,608)	
		<b>42,973</b>		<b>14,163</b>
Change in net assets attributable to shareholders from investment activities		(451)		(2,266)
Retained distribution on Accumulation shares		1,040		336
<b>Closing net assets attributable to shareholders</b>		<b>77,382</b>		<b>33,820</b>

# Balance Sheet

As at 5 October 2023

	2023		2022	
		£000's		£000's
<b>Assets</b>				
Investments		75,163		32,978
<b>Current assets</b>				
Debtors	8	295		177
Cash and bank balances		2,284		737
<b>Total assets</b>		<b>77,742</b>		<b>33,892</b>
<b>Liabilities</b>				
<b>Creditors</b>				
Other creditors	9	(360)		(72)
<b>Total liabilities</b>		<b>(360)</b>		<b>(72)</b>
<b>Net assets attributable to shareholders</b>		<b>77,382</b>		<b>33,820</b>



# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Blended Portfolio 4 are disclosed on pages 9 to 10.

### 2 Net capital losses

The net capital losses during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	(452)	(2,272)
Annual management charge rebates	1	7
<b>Net capital losses</b>	<b>(451)</b>	<b>(2,265)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
Franked distributions	393	122
Unfranked distributions	21	-
Interest distributions	544	268
Bank interest	35	1
Annual management charge rebates	11	4
<b>Total revenue</b>	<b>1,004</b>	<b>395</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	106	54
<b>Total expenses</b>	<b>106</b>	<b>54</b>

1 Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £10,628).

### 5 Taxation

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

	2023	2022
	£000's	£000's
Corporation tax	101	45
<b>Total current tax (Note -5(b))</b>	<b>101</b>	<b>45</b>

Corporation tax has been provided for at a rate of 20% (2022 – 20%).

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies 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>898</b>	<b>341</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	180	68
<b>Effects of:</b>		
Revenue not subject to corporation tax	(79)	(24)
Tax on capital items	-	1
<b>Total tax charge for the year (Note -5(a))</b>	<b>101</b>	<b>45</b>

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 6 Distributions

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

	2023	2022
	£000's	£000's
Final Dividend distribution	1,040	336
Add: Revenue deducted on cancellation of shares	29	8
Deduct: Revenue received on issue of shares	(272)	(47)
<b>Distributions</b>	<b>797</b>	<b>297</b>
Net revenue after taxation	797	296
Tax on capital items	-	1
<b>Distributions</b>	<b>797</b>	<b>297</b>

Details of the distributions per share are set out in the Distribution Table on page 134.

### 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's 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	-	-	-	-
Level 2: Observable market data	75,163	-	32,978	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>75,163</b>	<b>-</b>	<b>32,978</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	234	163
Accrued revenue	61	14
<b>Total debtors</b>	<b>295</b>	<b>177</b>

### 9 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	245	18
Accrued expenses	14	9
Corporation tax payable	101	45
<b>Total other creditors</b>	<b>360</b>	<b>72</b>

### 10 Contingent liabilities

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

### 11 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £12,149 (2022 – £11,289) are disclosed under Net capital losses and Revenue in the Notes to the Accounts. Amounts due from the Authorised Corporate Director at the balance sheet date of £1,597 (2022 – Nil) are included under Debtors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 – Nil).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £155,358 (2022 – £75,576) is included under Revenue in the Notes to the Accounts.

### 12 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 124.

The distributions per share class are given in the Distribution Tables on page 134.

Both classes have the same rights on winding up.

### 13 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 Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £7,516,300 (2022 - £3,297,800).

#### Foreign currency risk

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 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 positions will be affected by fluctuations in interest rates.

At the year end date 2.95% (2022 – 2.18%) 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.

### 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.

## 14 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>						
Collective Investment Schemes	65,920	-	-	65,920	-	-
<b>Sales</b>						
Collective Investment Schemes	23,932	-	-	23,932	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	32,322	-	-	32,322	-	-
<b>Sales</b>						
Collective Investment Schemes	18,161	-	-	18,161	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

### Average portfolio dealing spread

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

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.

## 15 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 5.10.23
F Accumulation shares	41,093,526	55,363,974	(7,392,631)	-	89,064,869
Z Accumulation shares	18,404,694	29,892,419	(3,742,419)	-	44,554,694

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	63.82p	60.31p	5.82

Z Accumulation shares converted into F Accumulation shares on 30 November 2023.

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	0.8119p	–	0.8119p	0.5877p
Group 2	0.4684p	0.3435p	0.8119p	0.5877p
<b>Z Accumulation shares</b>				
Group 1	0.7123p	–	0.7123p	0.5142p
Group 2	0.4295p	0.2828p	0.7123p	0.5142p

## Equalisation

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

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

# Schroder Blended Portfolio 5

## Fund Information

### Investment objective and policy

Schroder Blended Portfolio 5 (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 50% to 65% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 5, which aims to be the third lowest risk fund in this range with the third lowest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies;
- (D) alternative assets and
- (E) derivatives.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests between 20% and 60% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives directly.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

*With effect from 14 March 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 50% to 65% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 5, which aims to be the third lowest risk fund in this range with the third lowest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests between 20% and 60% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 20-60% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 3.03%. In comparison, Investment Association Mixed Investment 20-60% Shares Sector Average generated a total return of 2.11%<sup>1</sup>.**

We are monitoring the economic and market environment to understand the risks and opportunities that may arise. A key concern remains inflation and the resulting consequences. We believe that central banks will be reluctant to cut interest rates until they consider inflation is clearly under control.

Given this, we remain cautiously optimistic about our fixed income allocation. We expect the defensive characteristics of government bonds to re-assert themselves as inflationary pressures continue to fall. This offers protection against the potential for a more meaningful growth slowdown. We have increased our exposure to Emerging Market Debt (EMD). These are bonds issued by a government or companies, in emerging market countries such as Brazil and India, to borrow money from investors. We believe debt issued by emerging market governments is currently well priced relative to the risks associated in these markets. We expect this will provide an opportunity for higher yields going forward. Overall, we are maintaining exposure to higher quality credit bonds.

Alongside the delayed effects of a rapid rise in interest rates, there are ongoing recessionary risks in the equity market. In this environment, we believe that higher-quality and defensive businesses will be resilient. Quality companies are typically those with strong balance sheets, low levels of debt, and a history of generating stable earnings and cash flows. In line with our preference for larger companies with defensive quality characteristics, we added the Fidelity Global Dividend Fund to the Global Equity allocation in April 2023.

Over the last 18 months we have leaned into value or growth orientated strategies in markets and regions we deemed appropriate and beneficial. Growth stocks tend to be companies with high earnings growth potential, often in emerging industries or with innovative products or services. Value stocks are those that are undervalued by the market, often due to temporary setbacks or challenges. Historically, growth and value stocks have tended to perform differently in different market environments. As we approach the transitional period from interest rate increases, to pausing, and eventually cutting interest rates, we believe that a more equal weighting to these investing strategies is prudent.

We're using alternative assets to provide investors with additional diversification in the face of volatility. Alternatives are investments outside of the traditional asset classes of equities, bonds and cash. We're focusing on return-enhancing and risk-diversifying funds, and we're tilted towards assets like hedge funds, infrastructure and specialised property. If we move to return-enhancing assets, we'll need to balance the level of risk we take on with the potential for generating returns.

In April 2023 we made changes to our Strategic Asset Allocation. In our latest return forecast, we revised up the return we expect on cash over the long-term which in turn, led us to revise up expected returns for other asset classes. As a result, we increased exposure to government bonds within the portfolio, funded through a reduction in equities. This provides an opportunity for the portfolio to deliver its expected level of long-term return at a slightly lower level of expected risk. We also adjusted the regional allocation within Equities. We reduced the allocation to UK, Japanese and Emerging Market Equities and increased the allocation to US Equities. We also increased the allocation to the Global Equity asset class.

An allocation of 60% exposure to active funds and 40% exposure to passive funds remains appropriate. Our analysis evaluates the state of the global economy using data on a broad range of components which tracks global activity trends. When the data indicates a negative outlook and a slowdown in the economy, we typically allocate larger portions to active managers and vice versa. Within each asset class, the split between active and passive managers can differ. We allocate to active managers where we believe they will add the most value.

**CIO, Schroder Investment Solutions:  
Alex Funk**



Alex has many years of financial services experience which ranges from discretionary fund management, corporate finance, banking, capital raising, private equity to venture capital

Alex started managing a discretionary fund management business in South Africa and Mauritius, where he designed and managed model portfolios for financial advisers and wealth management firms across the world

Alex has extensive experience in managing multi-asset portfolios in the UK and is responsible for a range of portfolios and funds

Alex holds a Bcom Honours in Financial Analysis (Cum Laude) from the University of Stellenbosch, South Africa and is a CFA Charterholder

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares			Z Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>						
Opening net asset value	61.55	65.67	58.57	52.98	56.53	50.43
Return before operating charges*	2.23	(3.75)	7.51	1.92	(3.23)	6.44
Operating charges	(0.39)	(0.37)	(0.41)	(0.33)	(0.32)	(0.34)
<b>Return after operating charges*</b>	<b>1.84</b>	<b>(4.12)</b>	<b>7.10</b>	<b>1.59</b>	<b>(3.55)</b>	<b>6.10</b>
Distributions**	(0.94)	(0.63)	(0.47)	(0.81)	(0.54)	(0.42)
Retained distributions**	0.94	0.63	0.47	0.81	0.54	0.42
<b>Closing net asset value</b>	<b>63.39</b>	<b>61.55</b>	<b>65.67</b>	<b>54.57</b>	<b>52.98</b>	<b>56.53</b>
*after direct transaction costs of	-	-	(0.01)	-	-	(0.01)
<b>Performance</b>						
Return after charges (%)	2.99	(6.27)	12.12	3.00	(6.28)	12.10
<b>Other information</b>						
Closing net asset value (£000's)	107,183	60,920	42,244	53,844	27,259	14,546
Closing number of shares	169,076,375	98,974,307	64,323,813	98,674,160	51,450,683	25,730,848
Operating charges (%)	0.61	0.58	0.58	0.61	0.58	0.58
Direct transaction costs (%)	-	-	0.01	-	-	0.01
<b>Prices</b>						
Highest dealing price	65.77p	68.31p	67.58p	56.61p	58.80p	58.18p
Lowest dealing price	60.24p	60.55p	58.05p	51.85p	52.12p	49.97p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 97.49% (96.65%)</b>			
<b>Absolute Return Funds 0.00% (0.00%)</b>			
AQR Alternative Trends Fund IDG3 GBP Dis	9	1	0.00
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund A2 GBP Cap	10	1	0.00
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund Class I GBP Acc	10	1	0.00
Lyxor / Tiedemann Arbitrage Strategy Fund - Class SI GBP	9	1	0.00
Vontobel TwentyFour Absolute Return Credit Fund AQNG GBP	10	1	0.00
		<b>5</b>	<b>0.00</b>
<b>Asia Pacific ex Japan Equity Funds 0.82% (1.50%)</b>			
First Sentier Investors FSSA Asia Focus Fund - Class B (Accumulation) GBP	617,718	1,328	0.82
		<b>1,328</b>	<b>0.82</b>
<b>Cash Funds 1.49% (1.53%)</b>			
Royal London Short-Term Money Market Fund - Accumulation Class Y Shares	2,243,218	2,402	1.49
		<b>2,402</b>	<b>1.49</b>
<b>Emerging Markets Equity Funds 1.40% (0.00%)</b>			
Fidelity Emerging Markets Fund - R Accumulation Shares	2,141,415	2,248	1.40
Redwheel Global Emerging Markets Fund Class S GBP DIST	11	1	0.00
		<b>2,249</b>	<b>1.40</b>
<b>Europe ex UK Equity Funds 4.67% (3.46%)</b>			
Fidelity Index Europe ex UK Fund - P Accumulation Shares	1,158,055	2,232	1.39

	Holding at 5.10.23	Market Value £000's	% of net assets
J O Hambro Capital Management Umbrella Fund - Continental European Fund X GBP	4,041,789	4,543	2.82
Premier Miton European Opportunities Fund Class F Accumulation Shares	287,019	747	0.46
		<b>7,522</b>	<b>4.67</b>
<b>Global Corporate Bond Funds 5.54% (0.00%)</b>			
Schroder Cat Bond Fund Class PI Distribution GBP Hedged†	10	1	0.00
Vanguard Global Short-Term Corp Bond Index Fund Institutional Plus GBP Hedged Acc	87,511	8,918	5.54
		<b>8,919</b>	<b>5.54</b>
<b>Global Emerging Markets Equity Funds 1.80% (6.01%)</b>			
Artemis SmartGARP Global Emerging Markets Equity Fund - Class I accumulation shares GBP	812,036	1,405	0.87
Federated Hermes Global Emerging Markets SMID Equity Fund - Class L Stg£ Acc. Shares	638,213	508	0.32
Vanguard Emerging Markets Stock Index Fund - Institutional Plus GBP Acc	6,837	974	0.61
		<b>2,887</b>	<b>1.80</b>
<b>Global Emerging Markets Fixed Interest Funds 2.64% (1.86%)</b>			
M&G Emerging Markets Bond Fund Sterling Class PP-H - Income shares	5,670,448	4,255	2.64
		<b>4,255</b>	<b>2.64</b>
<b>Global Equity Funds 16.87% (12.79%)</b>			
Fidelity Global Dividend Fund - R Income (monthly) Shares	4,051,090	4,108	2.55
Fidelity Index World Fund - P Accumulation Shares	3,212,917	9,086	5.64
Fulcrum Equity Dispersion Fund Class I (GBP) HSC	8	1	0.00

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Lazard Global Thematic Focus Fund J Dist GBP	50,828	5,301	3.29	Neuberger Berman Uncorrelated Strategies Fund - GBP I2 Accumulating Class	678,996	7,374	4.58
RobecoSAM Sustainable Water Equities Fund - G GBP	5,160	1,333	0.83	Schroder GAIA Contour Tech Equity Fund Class C Accumulation GBP Hedged <sup>†</sup>	10	1	0.00
Schroder Global Sustainable Value Equity Fund Class Q1 Accumulation GBP <sup>†</sup>	5,028,221	2,708	1.68			<b>14,322</b>	<b>8.89</b>
Trojan Ethical Fund, X Accumulation	3,912,158	4,633	2.88				
		<b>27,170</b>	<b>16.87</b>	<b>Japanese Equity Funds 2.65% (3.45%)</b>			
<b>Global Fixed Interest Funds 23.02% (25.31%)</b>				Fidelity Index Japan Fund - P Accumulation Shares	887,774	1,776	1.10
HSBC Global Government Bond Fund Class:S2CHGBP	1,294,396	11,989	7.45	JPM Japan Fund - C Net Accumulation	558,072	1,635	1.02
Jupiter Strategic Bond Fund - I-Class Accumulation Units	5,527,696	5,420	3.37	WS Morant Wright Nippon Yield Fund, B Income	206,451	856	0.53
MI TwentyFour Investment Funds - Dynamic Bond Fund - I Accumulation Shares	33,540	5,556	3.45			<b>4,267</b>	<b>2.65</b>
Royal London International Government Bond Fund - Income Class M Shares	6,401,781	6,371	3.96	<b>Multi Asset Funds 2.82% (2.75%)</b>			
Schroder Strategic Credit Fund - Class S Accumulation GBP <sup>†</sup>	2,948,706	5,516	3.43	Schroder SSF Diversified Alternative Assets Fund Class S Distribution GBP <sup>†</sup>	50,855	4,543	2.82
Vanguard Investment Series - Global Short Term Bond Index Fund GBP Hedged Acc	20,756	2,196	1.36			<b>4,543</b>	<b>2.82</b>
		<b>37,048</b>	<b>23.02</b>	<b>Property Funds 2.84% (2.83%)</b>			
<b>Hedge Funds 8.89% (8.91%)</b>				iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK) - Class D Income GBP	2,958,877	4,570	2.84
Lumyna - BOFA MLCX Commodity Alpha Fund - GBP E1 (acc)	10	1	0.00			<b>4,570</b>	<b>2.84</b>
MontLake Crabel Gemini Fund - GBP Institutional A Pooled Class Shares	68,466	6,945	4.31	<b>UK Equity Funds 11.49% (14.25%)</b>			
MontLake Platform Dunn WMA Institutional Fund GBP Institutional Class B Pooled Shares	7	1	0.00	ES River and Mercantile UK Listed Smaller Companies Fund S Accumulation	893,866	1,729	1.07
				HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund Class: Accumulation C	1,089,022	7,683	4.77
				J O Hambro Capital Management UK Dynamic Fund - Y GBP Acc	6,565,127	6,460	4.01
				TB Evenlode Income C	1,077,564	2,641	1.64
						<b>18,513</b>	<b>11.49</b>

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
<b>UK Fixed Interest Funds 0.00% (2.74%)</b>							
<b>US Equity Funds 10.55% (9.26%)</b>							
Artemis US Smaller Companies Fund - Class I accumulation shares, GBP	870,026	2,540	1.58	HSBC Index Tracker Investment Funds - American Index Fund - Class: Accumulation C	1,209,803	11,943	7.42
Fisher Investments Institutional US Small and Mid-Cap Core Equity Fund - Sterling Class Shares (unhedged)	10	1	0.00	Neuberger Berman US Large Cap Value Fund - GBP I4 Distributing Class - Unhedged	252,078	2,501	1.55
						<b>16,985</b>	<b>10.55</b>
				<b>Collective Investment Schemes total</b>		<b>156,985</b>	<b>97.49</b>
				<b>Portfolio of investments</b>		<b>156,985</b>	<b>97.49</b>
				<b>Net other assets</b>		<b>4,042</b>	<b>2.51</b>
				<b>Net assets attributable to shareholders</b>		<b>161,027</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 11).

# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		234		(6,256)
Revenue	3	2,452		1,082	
Expenses	4	(248)		(148)	
Net revenue before taxation		<b>2,204</b>		<b>934</b>	
Taxation	5	(214)		(107)	
Net revenue after taxation			<b>1,990</b>		<b>827</b>
<b>Total return before distributions</b>			<b>2,224</b>		<b>(5,429)</b>
Distributions	6		(1,991)		(831)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>233</b>		<b>(6,260)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		88,179		56,790
Amounts receivable on issue of shares	78,579		41,581	
Amounts payable on cancellation of shares	(8,350)		(4,835)	
		<b>70,229</b>		<b>36,746</b>
Dilution adjustment		-		1
Change in net assets attributable to shareholders from investment activities		233		(6,260)
Retained distribution on Accumulation shares		2,386		902
<b>Closing net assets attributable to shareholders</b>		<b>161,027</b>		<b>88,179</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			156,985		85,227
<b>Current assets</b>					
Debtors	8		2,773		1,248
Cash and bank balances			3,389		1,937
<b>Total assets</b>			<b>163,147</b>		<b>88,412</b>
<b>Liabilities</b>					
<b>Creditors</b>					
Other creditors	9		(2,120)		(233)
<b>Total liabilities</b>			<b>(2,120)</b>		<b>(233)</b>
<b>Net assets attributable to shareholders</b>			<b>161,027</b>		<b>88,179</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Blended Portfolio 5 are disclosed on pages 9 to 10.

### 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	231	(6,275)
Annual management charge rebates	3	19
<b>Net capital gains/(losses)</b>	<b>234</b>	<b>(6,256)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
Franked distributions	1,138	417
Unfranked distributions	58	-
Interest distributions	1,150	649
Bank interest	81	4
Annual management charge rebates	25	12
<b>Total revenue</b>	<b>2,452</b>	<b>1,082</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	248	147
<b>Other expenses:</b>		
Interest payable	-	1
<b>Total expenses</b>	<b>248</b>	<b>148</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £10,628).

### 5 Taxation

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

	2023	2022
	£000's	£000's
Corporation tax	214	107
<b>Total current tax (Note 5(b))</b>	<b>214</b>	<b>107</b>

Corporation tax has been provided for at a rate of 20% (2020 – 20%).

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies 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>2,204</b>	<b>934</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	441	187

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

	2023 (continued) £000's	2022 (continued) £000's
<b>Effects of:</b>		
Revenue not subject to corporation tax	(228)	(84)
Tax on capital items	1	4
<b>Total tax charge for the year (Note 5(a))</b>	<b>214</b>	<b>107</b>

### 6 Distributions

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

	2023 £000's	2022 £000's
Final Dividend distribution	2,386	902
Add: Revenue deducted on cancellation of shares	49	7
Deduct: Revenue received on issue of shares	(444)	(78)
<b>Distributions</b>	<b>1,991</b>	<b>831</b>
Net revenue after taxation	1,990	827
Tax on capital items	1	4
<b>Distributions</b>	<b>1,991</b>	<b>831</b>

Details of the distributions per share are set out in the Distribution Table on page 148.

### 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's 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	-	-	-	-
Level 2: Observable market data	156,985	-	85,227	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>156,985</b>	<b>-</b>	<b>85,227</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

### 8 Debtors

	2023 £000's	2022 £000's
Amounts receivable for issue of shares	2,634	1,211
Accrued revenue	139	37
<b>Total debtors</b>	<b>2,773</b>	<b>1,248</b>



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 9 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	-	104
Purchases awaiting settlement	1,876	-
Accrued expenses	30	22
Corporation tax payable	214	107
<b>Total other creditors</b>	<b>2,120</b>	<b>233</b>

### 10 Contingent liabilities

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

### 11 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £3,116 (2022 - £30,379) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts.

Administration charge rebates received or receivable from the Authorised Corporate Director of Nil (2022 - £511) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 - Nil).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £356,526 (2022 - £197,981) is included under Revenue in the Notes to the Accounts.

### 12 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 138.

The distributions per share class are given in the Distribution Table on page 148.

Both classes have the same rights on winding up.

### 13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £15,698,500 (2022 - £8,522,700).

#### Foreign currency risk

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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 positions will be affected by fluctuations in interest rates.

At the year end date 2.10% (2022 – 2.20%) 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.

### 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.

## 14 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>						
Collective Investment Schemes	128,538	-	-	128,538	-	-
<b>Sales</b>						
Collective Investment Schemes	58,681	-	-	58,681	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	84,498	-	-	84,498	-	-
<b>Sales</b>						
Collective Investment Schemes	48,800	-	-	48,800	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

### Average portfolio dealing spread

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

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.

## 15 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 5.10.23
F Accumulation shares	98,974,307	77,785,600	(7,683,532)	-	169,076,375
Z Accumulation shares	51,450,683	53,514,629	(6,291,152)	-	98,674,160

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	67.06p	63.27p	5.99

Z Accumulation shares converted into F Accumulation shares on 28 November 2023.

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	0.9382p	-	0.9382p	0.6297p
Group 2	0.5804p	0.3578p	0.9382p	0.6297p
<b>Z Accumulation shares</b>				
Group 1	0.8106p	-	0.8106p	0.5419p
Group 2	0.4846p	0.3260p	0.8106p	0.5419p

## Equalisation

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

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

# Schroder Blended Portfolio 6

## Fund Information

### Investment objective and policy

Schroder Blended Portfolio 6 (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 65% to 80% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 6, which aims to be the third highest risk fund in this range with the third highest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies;
- (D) alternative assets; and
- (E) derivatives.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests between 40% and 85% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives directly.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

*With effect from 14 March 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide

with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 65% to 80% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return.

This Fund is risk level 6, which aims to be the third highest risk fund in this range with the third highest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target average volatility range.

The Fund invests between 40% and 85% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 40-85% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 4.09%. In comparison, Investment Association Mixed Investment 40-85% Shares Sector Average generated a total return of 2.75%<sup>1</sup>.**

We are monitoring the economic and market environment to understand the risks and opportunities that may arise. A key concern remains inflation and the resulting consequences. We believe that central banks will be reluctant to cut interest rates until they consider inflation is clearly under control.

Given this, we remain cautiously optimistic about our fixed income allocation. We expect the defensive characteristics of government bonds to re-assert themselves as inflationary pressures continue to fall. This offers protection against the potential for a more meaningful growth slowdown. We have increased our exposure to Emerging Market Debt (EMD). These are bonds issued by a government or companies, in emerging market countries such as Brazil and India, to borrow money from investors. We believe debt issued by emerging market governments is currently well priced relative to the risks associated in these markets. We expect this will provide an opportunity for higher yields going forward. Overall, we are maintaining exposure to higher quality credit bonds.

Alongside the delayed effects of a rapid rise in interest rates, there are ongoing recessionary risks in the equity market. In this environment, we believe that higher-quality and defensive businesses will be resilient. Quality companies are typically those with strong balance sheets, low levels of debt, and a history of generating stable earnings and cash flows. In line with our preference for larger companies with defensive quality characteristics, we added the Fidelity Global Dividend Fund to the Global Equity allocation in April 2023.

Over the last 18 months we have leaned into value or growth orientated strategies in markets and regions we deemed appropriate and beneficial. Growth stocks tend to be companies with high earnings growth potential, often in emerging industries or with innovative products or services. Value stocks are those that are undervalued by the market, often due to temporary setbacks or challenges. Historically, growth and value stocks have tended to perform differently in different market environments. As we approach the transitional period from interest rate increases, to pausing, and eventually cutting interest rates, we believe that a more equal weighting to these investing strategies is prudent.

We're using alternative assets to provide investors with additional diversification in the face of volatility. Alternatives are investments outside of the traditional asset classes of equities, bonds and cash. We're focusing on return-enhancing and risk-diversifying funds, and we're tilted towards assets like hedge funds, infrastructure and specialised property. If we move to return-enhancing assets, we'll need to balance the level of risk we take on with the potential for generating returns.

In April 2023 we made changes to our Strategic Asset Allocation. In our latest return forecast, we revised up the return we expect on cash over the long-term which in turn, led us to revise up expected returns for other asset classes. As a result, we increased exposure to government bonds within the portfolio, funded through a reduction in equities. This provides an opportunity for the portfolio to deliver its expected level of long-term return at a slightly lower level of expected risk. We also adjusted the regional allocation within Equities. We reduced the allocation to UK, Japanese and Emerging Market Equities and increased the allocation to US Equities. We also increased the allocation to the Global Equity asset class.

An allocation of 60% exposure to active funds and 40% exposure to passive funds remains appropriate. Our analysis evaluates the state of the global economy using data on a broad range of components which tracks global activity trends. When the data indicates a negative outlook and a slowdown in the economy, we typically allocate larger portions to active managers and vice versa. Within each asset class, the split between active and passive managers can differ. We allocate to active managers where we believe they will add the most value.

**CIO, Schroder Investment Solutions:  
Alex Funk**



Alex has many years of financial services experience which ranges from discretionary fund management, corporate finance, banking, capital raising, private equity to venture capital

Alex started managing a discretionary fund management business in South Africa and Mauritius, where he designed and managed model portfolios for financial advisers and wealth management firms across the world

Alex has extensive experience in managing multi-asset portfolios in the UK and is responsible for a range of portfolios and funds

Alex holds a Bcom Honours in Financial Analysis (Cum Laude) from the University of Stellenbosch, South Africa and is a CFA Charterholder

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares			F Income shares <sup>1</sup>		
	2023 pence per share	2022 pence per share	2021 pence per share	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>						
Opening net asset value	64.92	68.74	60.05	47.14	50.41	50.00
Return before operating charges*	3.06	(3.42)	9.13	2.22	(2.52)	0.99
Operating charges	(0.43)	(0.40)	(0.44)	(0.31)	(0.29)	(0.27)
<b>Return after operating charges*</b>	<b>2.63</b>	<b>(3.82)</b>	<b>8.69</b>	<b>1.91</b>	<b>(2.81)</b>	<b>0.72</b>
Distributions**	(1.05)	(0.62)	(0.42)	(0.76)	(0.46)	(0.31)
Retained distributions**	1.05	0.62	0.42	-	-	-
<b>Closing net asset value</b>	<b>67.55</b>	<b>64.92</b>	<b>68.74</b>	<b>48.29</b>	<b>47.14</b>	<b>50.41</b>
*after direct transaction costs of	-	(0.02)	(0.01)	-	(0.01)	(0.01)
<b>Performance</b>						
Return after charges (%)	4.05	(5.56)	14.47	4.05	(5.57)	1.44
<b>Other information</b>						
Closing net asset value (£000's)	143,418	109,442	28,703	15,403	14,826	1
Closing number of shares	212,321,616	168,588,106	41,757,652	31,898,946	31,452,967	2,000
Operating charges (%)	0.63	0.59	0.59	0.63	0.59	0.59
Direct transaction costs (%)	-	0.03	0.01	-	0.03	0.01
<b>Prices</b>						
Highest dealing price	70.10p	72.02p	70.99p	50.90p	52.80p	52.39p
Lowest dealing price	63.35p	63.66p	59.50p	46.05p	46.67p	50.00p



# Comparative Table (continued)

Financial year to 5 October	Z Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	54.58	57.79	50.49
Return before operating charges*	2.57	(2.87)	7.66
Operating charges	(0.36)	(0.34)	(0.36)
<b>Return after operating charges*</b>	<b>2.21</b>	<b>(3.21)</b>	<b>7.30</b>
Distributions**	(0.89)	(0.51)	(0.37)
Retained distributions**	0.89	0.51	0.37
<b>Closing net asset value</b>	<b>56.79</b>	<b>54.58</b>	<b>57.79</b>
*after direct transaction costs of	-	(0.02)	(0.01)
<b>Performance</b>			
Return after charges (%)	4.05	(5.55)	14.46
<b>Other information</b>			
Closing net asset value (£000's)	32,398	14,771	5,597
Closing number of shares	57,045,803	27,062,462	9,685,193
Operating charges (%)	0.63	0.59	0.59
Direct transaction costs (%)	-	0.03	0.01
<b>Prices</b>			
Highest dealing price	58.94p	60.55p	59.69p
Lowest dealing price	53.27p	53.52p	50.03p

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

1 F Income shares launched on 28 May 2021.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 97.47% (97.75%)</b>			
<b>Absolute Return Funds 0.00% (0.00%)</b>			
AQR Alternative Trends Fund IDG3 GBP Dis	9	1	0.00
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund A2 GBP Cap	10	1	0.00
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund Class I GBP Acc	10	1	0.00
Lyxor / Tiedemann Arbitrage Strategy Fund - Class SI GBP	9	1	0.00
Vontobel TwentyFour Absolute Return Credit Fund AQNG GBP	10	1	0.00
		<b>5</b>	<b>0.00</b>
<b>Asia Pacific ex Japan Equity Funds 1.36% (2.20%)</b>			
First Sentier Investors FSSA Asia Focus Fund - Class B (Accumulation) GBP	1,210,148	2,601	1.36
		<b>2,601</b>	<b>1.36</b>
<b>Europe ex UK Equity Funds 5.74% (4.60%)</b>			
Fidelity Index Europe ex UK Fund - P Accumulation Shares	1,678,492	3,234	1.69
J O Hambro Capital Management Umbrella Fund - Continental European Fund X GBP	5,903,096	6,635	3.47
Premier Miton European Opportunities Fund Class F Accumulation Shares	424,768	1,105	0.58
		<b>10,974</b>	<b>5.74</b>
<b>Global Corporate Bond Funds 3.91% (0.00%)</b>			
Schroder Cat Bond Fund Class PI Distribution GBP Hedged†	10	1	0.00

	Holding at 5.10.23	Market Value £000's	% of net assets
Vanguard Global Short-Term Corp Bond Index Fund Institutional Plus GBP Hedged Acc	73,324	7,473	3.91
		<b>7,474</b>	<b>3.91</b>
<b>Global Emerging Markets Equity Funds 5.16% (8.70%)</b>			
Artemis SmartGARP Global Emerging Markets Equity Fund - Class I accumulation shares GBP	1,559,063	2,697	1.41
Federated Hermes Global Emerging Markets SMID Equity Fund - Class L Stg£ Acc. Shares	1,195,954	953	0.50
Fidelity Emerging Markets Fund - R Accumulation Shares	4,172,017	4,381	2.29
Redwheel Global Emerging Markets Fund Class S GBP DIST	11	1	0.00
Vanguard Emerging Markets Stock Index Fund - Institutional Plus GBP Acc	12,887	1,835	0.96
		<b>9,867</b>	<b>5.16</b>
<b>Global Emerging Markets Fixed Interest Funds 1.80% (1.25%)</b>			
M&G Emerging Markets Bond Fund Sterling Class PP-H - Income shares	4,585,937	3,441	1.80
		<b>3,441</b>	<b>1.80</b>
<b>Global Equity Funds 21.12% (15.58%)</b>			
Fidelity Global Dividend Fund - R Income (monthly) Shares	6,346,807	6,436	3.37
Fidelity Index World Fund - P Accumulation Shares	4,976,136	14,072	7.36
Fulcrum Equity Dispersion Fund Class I (GBP) HSC	8	1	0.00
Lazard Global Thematic Focus Fund J Dist GBP	79,260	8,266	4.32
RobecoSAM Sustainable Water Equities Fund - G GBP	7,621	1,968	1.03

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets
Schroder Global Sustainable Value Equity Fund Class Q1 Accumulation GBP†	8,078,590	4,351	2.27
Trojan Ethical Fund, X Accumulation	4,467,976	5,292	2.77
		<b>40,386</b>	<b>21.12</b>
<b>Global Fixed Interest Funds 14.34% (15.87%)</b>			
HSBC Global Government Bond Fund Class:S2CHGBP	908,428	8,414	4.40
Jupiter Strategic Bond Fund - I-Class Accumulation Units	4,457,795	4,371	2.29
MI TwentyFour Investment Funds - Dynamic Bond Fund - I Accumulation Shares	26,736	4,429	2.32
Royal London International Government Bond Fund - Income Class M Shares	4,235,843	4,216	2.20
Schroder Strategic Credit Fund - Class S Accumulation GBP†	2,441,441	4,567	2.39
Vanguard Investment Series - Global Short Term Bond Index Fund GBP Hedged Acc	13,448	1,422	0.74
		<b>27,419</b>	<b>14.34</b>
<b>Hedge Funds 8.25% (8.63%)</b>			
Lumyna - BOFA MLCX Commodity Alpha Fund - GBP E1 (acc)	10	1	0.00
MontLake Crabel Gemini Fund - GBP Institutional A Pooled Class Shares	76,364	7,746	4.05
MontLake Platform Dunn WMA Institutional Fund GBP Institutional Class B Pooled Shares	7	1	0.00
Neuberger Berman Uncorrelated Strategies Fund - GBP I2 Accumulating Class	739,201	8,028	4.20

	Holding at 5.10.23	Market Value £000's	% of net assets
Schroder GAIA Contour Tech Equity Fund Class C Accumulation GBP Hedged†	10	1	0.00
		<b>15,777</b>	<b>8.25</b>
<b>Japanese Equity Funds 3.18% (4.47%)</b>			
Fidelity Index Japan Fund - P Accumulation Shares	1,242,764	2,487	1.30
JPM Japan Fund - C Net Accumulation	801,377	2,347	1.23
WS Morant Wright Nippon Yield Fund, B Income	301,746	1,251	0.65
		<b>6,085</b>	<b>3.18</b>
<b>Multi Asset Funds 2.77% (2.59%)</b>			
Schroder SSF Diversified Alternative Assets Fund Class S Distribution GBP†	59,093	5,279	2.77
		<b>5,279</b>	<b>2.77</b>
<b>Property Funds 2.63% (2.65%)</b>			
iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK) - Class D Income GBP	3,261,853	5,038	2.63
		<b>5,038</b>	<b>2.63</b>
<b>UK Equity Funds 13.94% (18.24%)</b>			
ES River and Mercantile UK Listed Smaller Companies Fund S Accumulation	1,313,521	2,540	1.33
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund Class: Accumulation C	1,555,544	10,974	5.74
J O Hambro Capital Management UK Dynamic Fund - Y GBP Acc	9,318,891	9,170	4.79
TB Evenlode Income C	1,622,223	3,975	2.08
		<b>26,659</b>	<b>13.94</b>
<b>UK Fixed Interest Funds 0.00% (1.83%)</b>			
<b>US Equity Funds 13.27% (11.14%)</b>			
Artemis US Smaller Companies Fund - Class I accumulation shares, GBP	1,309,423	3,823	2.00

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Fisher Investments Institutional US Small and Mid-Cap Core Equity Fund - Sterling Class Shares (unhedged)	10	1	0.00	Neuberger Berman US Large Cap Value Fund - GBP I4 Distributing Class - Unhedged	389,098	3,860	2.02
HSBC Index Tracker Investment Funds - American Index Fund - Class: Accumulation C	1,791,430	17,685	9.25			<b>25,369</b>	<b>13.27</b>
				<b>Collective Investment Schemes total</b>		<b>186,374</b>	<b>97.47</b>
				<b>Portfolio of investments</b>		<b>186,374</b>	<b>97.47</b>
				<b>Net other assets</b>		<b>4,845</b>	<b>2.53</b>
				<b>Net assets attributable to shareholders</b>		<b>191,219</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 11).

# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		2,718		(13,351)
Revenue	3	3,240		1,605	
Expenses	4	(334)		(239)	
Net revenue before taxation		<b>2,906</b>		<b>1,366</b>	
Taxation	5	(188)		(102)	
Net revenue after taxation			<b>2,718</b>		<b>1,264</b>
<b>Total return before distributions</b>			<b>5,436</b>		<b>(12,087)</b>
Distributions	6		(2,718)		(1,266)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>2,718</b>		<b>(13,353)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		139,039		34,301
Amounts transferred from other funds		-		99,041
Amounts receivable on issue of shares	58,130		32,462	
Amounts payable on cancellation of shares	(11,406)		(14,595)	
		<b>46,724</b>		<b>17,867</b>
Dilution adjustment		-		1
Change in net assets attributable to shareholders from investment activities		2,718		(13,353)
Retained distribution on Accumulation shares		2,738		1,182
<b>Closing net assets attributable to shareholders</b>		<b>191,219</b>		<b>139,039</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			186,374		135,917
<b>Current assets</b>					
Debtors	8		833		409
Cash and bank balances			4,670		3,114
<b>Total assets</b>			<b>191,877</b>		<b>139,440</b>
<b>Liabilities</b>					
<b>Creditors</b>					
Distributions payable			(243)		(145)
Other creditors	9		(415)		(256)
<b>Total liabilities</b>			<b>(658)</b>		<b>(401)</b>
<b>Net assets attributable to shareholders</b>			<b>191,219</b>		<b>139,039</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Blended Portfolio 6 are disclosed on pages 9 to 10.

### 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	2,714	(13,363)
Annual management charge rebates	4	12
<b>Net capital gains/(losses)</b>	<b>2,718</b>	<b>(13,351)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
Franked distributions	1,967	867
Unfranked distributions	85	-
Interest distributions	1,045	710
Bank interest	109	6
Annual management charge rebates	34	22
<b>Total revenue</b>	<b>3,240</b>	<b>1,605</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	334	236
<b>Other expenses:</b>		
Interest payable	-	3
<b>Total expenses</b>	<b>334</b>	<b>239</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 - £10,741).

### 5 Taxation

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

	2023	2022
	£000's	£000's
Corporation tax	188	102
<b>Total current tax (Note 5(b))</b>	<b>188</b>	<b>102</b>

Corporation tax has been provided for at a rate of 20% (2022 - 20%).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies 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>2,906</b>	<b>1,366</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	581	273
<b>Effects of:</b>		
Revenue not subject to corporation tax	(393)	(173)
Tax on capital items	-	2
<b>Total tax charge for the year (Note 5(a))</b>	<b>188</b>	<b>102</b>

## 6 Distributions

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

	2023	2022
	£000's	£000's
Final Dividend distribution	2,981	1,327
Add: Revenue deducted on cancellation of shares	65	29
Deduct: Revenue received on issue of shares	(328)	(90)
<b>Distributions</b>	<b>2,718</b>	<b>1,266</b>
Net revenue after taxation	2,718	1,264
Tax on capital items	-	2
<b>Distributions</b>	<b>2,718</b>	<b>1,266</b>

Details of the distributions per share are set out in the Distribution Table on page 163.

## 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's 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	-	-	-	-
Level 2: Observable market data	186,374	-	135,917	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>186,374</b>	<b>-</b>	<b>135,917</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	648	356
Accrued revenue	185	53
<b>Total debtors</b>	<b>833</b>	<b>409</b>

### 9 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	190	122
Accrued expenses	37	32
Corporation tax payable	188	102
<b>Total other creditors</b>	<b>415</b>	<b>256</b>

### 10 Contingent liabilities

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

### 11 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £37,664 (2022 – £34,979) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts. Amounts due from the Authorised Corporate Director at the balance sheet date of £2,904 (2022 – Nil) are included under Debtors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 1.87% (2022 – 2.91%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £424,217 (2022 – £260,181) is included under Revenue in the Notes to the Accounts.

### 12 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 152 to 153.

The distributions per share class are given in the Distribution Table on page 163.

Both classes have the same rights on winding up.

### 13 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 Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £18,637,400 (2022 - £13,591,700).

#### Foreign currency risk

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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.



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 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 positions will be affected by fluctuations in interest rates.

At the year end date 2.44% (2022 – 2.24%) 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.

### 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.

## 14 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. For prior year transaction costs please refer to the below table.

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	134,800	-	-	134,800	-	-
<b>Sales</b>						
Collective Investment Schemes	89,326	-	-	89,326	-	-
Total cost of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	202,721	-	34	202,755	-	0.02
<b>Sales</b>						
Collective Investment Schemes	87,217	-	-	87,217	-	-
Total cost of the Fund's average net asset value (%)		-	0.03			

### Average portfolio dealing spread

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

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.

## 15 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 5.10.23
F Accumulation shares	168,588,106	54,459,453	(10,725,943)	-	212,321,616
F Income shares	31,452,967	4,090,386	(3,644,407)	-	31,898,946
Z Accumulation shares	27,062,462	34,232,764	(4,249,423)	-	57,045,803

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	71.59p	67.40p	6.22
F Income shares	51.18p	48.94p	4.58

Z Accumulation shares converted into F Accumulation shares on 7 December 2023.

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.0501p	-	1.0501p	0.6191p
Group 2	0.6511p	0.3990p	1.0501p	0.6191p
<b>F Income shares</b>				
Group 1	0.7621p	-	0.7621p	0.4611p
Group 2	0.3636p	0.3985p	0.7621p	0.4611p
<b>Z Accumulation shares</b>				
Group 1	0.8916p	-	0.8916p	0.5102p
Group 2	0.6181p	0.2735p	0.8916p	0.5102p

## Equalisation

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

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

# Schroder Blended Portfolio 7

## Fund Information

### Investment objective and policy

Schroder Blended Portfolio 7 (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 75% to 90% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 7, which aims to be the second highest risk fund in this range with the second highest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.
- (E) derivatives.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target average volatility range.

The Fund invests between 40% and 85% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives directly.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

*With effect from 14 March 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 75% to 90% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 7, which aims to be the second highest risk fund in this range with the second highest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target average volatility range.

The Fund invests between 40% and 85% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Mixed Investment 40-85% shares sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 4.97%. In comparison, Investment Association Mixed Investment 40-85% Shares Sector Average generated a total return of 2.75%<sup>1</sup>.**

We are monitoring the economic and market environment to understand the risks and opportunities that may arise. A key concern remains inflation and the resulting consequences. We believe that central banks will be reluctant to cut interest rates until they consider inflation is clearly under control.

Given this, we remain cautiously optimistic about our fixed income allocation. We expect the defensive characteristics of government bonds to re-assert themselves as inflationary pressures continue to fall. This offers protection against the potential for a more meaningful growth slowdown. We have increased our exposure to Emerging Market Debt (EMD). These are bonds issued by a government or companies, in emerging market countries such as Brazil and India, to borrow money from investors. We believe debt issued by emerging market governments is currently well priced relative to the risks associated in these markets. We expect this will provide an opportunity for higher yields going forward. Overall, we are maintaining exposure to higher quality credit bonds.

Alongside the delayed effects of a rapid rise in interest rates, there are ongoing recessionary risks in the equity market. In this environment, we believe that higher-quality and defensive businesses will be resilient. Quality companies are typically those with strong balance sheets, low levels of debt, and a history of generating stable earnings and cash flows. In line with our preference for larger companies with defensive quality characteristics, we added the Fidelity Global Dividend Fund to the Global Equity allocation in April 2023.

Over the last 18 months we have leaned into value or growth orientated strategies in markets and regions we deemed appropriate and beneficial. Growth stocks tend to be companies with high earnings growth potential, often in emerging industries or with innovative products or services. Value stocks are those that are undervalued by the market, often due to temporary setbacks or challenges. Historically, growth and value stocks have tended to perform differently in different market environments. As we approach the transitional period from interest rate increases, to pausing, and eventually cutting interest rates, we believe that a more equal weighting to these investing strategies is prudent.

We're using alternative assets to provide investors with additional diversification in the face of volatility. Alternatives are investments outside of the traditional asset classes of equities, bonds and cash. We're focusing on return-enhancing and risk-diversifying funds, and we're tilted towards assets like hedge funds, infrastructure and specialised property. If we move to return-enhancing assets, we'll need to balance the level of risk we take on with the potential for generating returns.

In April 2023 we made changes to our Strategic Asset Allocation. In our latest return forecast, we revised up the return we expect on cash over the long-term which in turn, led us to revise up expected returns for other asset classes. As a result, we increased exposure to government bonds within the portfolio, funded through a reduction in equities. This provides an opportunity for the portfolio to deliver its expected level of long-term return at a slightly lower level of expected risk. We also adjusted the regional allocation within Equities. We reduced the allocation to UK, Japanese and Emerging Market Equities and increased the allocation to US Equities. We also increased the allocation to the Global Equity asset class.

An allocation of 60% exposure to active funds and 40% exposure to passive funds remains appropriate. Our analysis evaluates the state of the global economy using data on a broad range of components which tracks global activity trends. When the data indicates a negative outlook and a slowdown in the economy, we typically allocate larger portions to active managers and vice versa. Within each asset class, the split between active and passive managers can differ. We allocate to active managers where we believe they will add the most value.

**CIO, Schroder Investment Solutions:  
Alex Funk**



Alex has many years of financial services experience which ranges from discretionary fund management, corporate finance, banking, capital raising, private equity to venture capital

Alex started managing a discretionary fund management business in South Africa and Mauritius, where he designed and managed model portfolios for financial advisers and wealth management firms across the world

Alex has extensive experience in managing multi-asset portfolios in the UK and is responsible for a range of portfolios and funds

Alex holds a Bcom Honours in Financial Analysis (Cum Laude) from the University of Stellenbosch, South Africa and is a CFA Charterholder

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares			F Income shares <sup>1</sup>		
	2023 pence per share	2022 pence per share	2021 pence per share	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>						
Opening net asset value	69.83	73.02	61.85	47.92	50.55	50.00
Return before operating charges*	3.91	(2.76)	11.63	2.69	(1.91)	1.16
Operating charges	(0.47)	(0.43)	(0.46)	(0.32)	(0.30)	(0.27)
<b>Return after operating charges*</b>	<b>3.44</b>	<b>(3.19)</b>	<b>11.17</b>	<b>2.37</b>	<b>(2.21)</b>	<b>0.89</b>
Distributions**	(1.06)	(0.60)	(0.47)	(0.73)	(0.42)	(0.34)
Retained distributions**	1.06	0.60	0.47	-	-	-
<b>Closing net asset value</b>	<b>73.27</b>	<b>69.83</b>	<b>73.02</b>	<b>49.56</b>	<b>47.92</b>	<b>50.55</b>
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges (%)	4.93	(4.37)	18.06	4.95	(4.37)	1.78
<b>Other information</b>						
Closing net asset value (£000's)	127,086	87,120	31,998	7,137	8,380	1
Closing number of shares	173,454,527	124,763,764	43,822,156	14,402,574	17,488,074	2,000
Operating charges (%)	0.64	0.59	0.60	0.64	0.59	0.59
Direct transaction costs (%)	-	-	-	-	-	-
<b>Prices</b>						
Highest dealing price	76.06p	77.43p	75.69p	52.20p	53.59p	52.77p
Lowest dealing price	67.97p	68.27p	61.21p	46.70p	47.26p	50.00p

# Comparative Table (continued)

Financial year to 5 October	Z Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>			
Opening net asset value	57.31	59.94	50.77
Return before operating charges*	3.22	(2.28)	9.54
Operating charges	(0.39)	(0.35)	(0.37)
<b>Return after operating charges*</b>	<b>2.83</b>	<b>(2.63)</b>	<b>9.17</b>
Distributions**	(0.88)	(0.48)	(0.40)
Retained distributions**	0.88	0.48	0.40
<b>Closing net asset value</b>	<b>60.14</b>	<b>57.31</b>	<b>59.94</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	4.94	(4.39)	18.06
<b>Other information</b>			
Closing net asset value (£000's)	21,248	11,266	4,272
Closing number of shares	35,332,701	19,657,282	7,126,596
Operating charges (%)	0.64	0.59	0.60
Direct transaction costs (%)	-	-	-
<b>Prices</b>			
Highest dealing price	62.43p	63.55p	62.14p
Lowest dealing price	55.79p	56.04p	50.25p

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

1 F Income shares launched on 28 May 2021.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**



# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 98.08% (98.01%)</b>			
<b>Absolute Return Funds 0.00% (0.00%)</b>			
AQR Alternative Trends Fund IDG3 GBP Dis	9	1	0.00
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund A2 GBP Cap	10	1	0.00
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund Class I GBP Acc	10	1	0.00
Lyxor / Tiedemann Arbitrage Strategy Fund - Class SI GBP	9	1	0.00
Vontobel TwentyFour Absolute Return Credit Fund AQNG GBP	10	1	0.00
		<b>5</b>	<b>0.00</b>
<b>Asia Pacific ex Japan Equity Funds 1.95% (2.85%)</b>			
First Sentier Investors FSSA Asia Focus Fund - Class B (Accumulation) GBP	1,411,820	3,035	1.95
		<b>3,035</b>	<b>1.95</b>
<b>Europe ex UK Equity Funds 6.71% (5.96%)</b>			
Fidelity Index Europe ex UK Fund - P Accumulation Shares	1,682,770	3,243	2.09
J O Hambro Capital Management Umbrella Fund - Continental European Fund X GBP	5,504,474	6,187	3.98
Premier Miton European Opportunities Fund Class F Accumulation Shares	384,164	999	0.64
		<b>10,429</b>	<b>6.71</b>
<b>Global Corporate Bond Funds 1.72% (0.00%)</b>			
Schroder Cat Bond Fund Class PI Distribution GBP Hedged†	10	1	0.00

	Holding at 5.10.23	Market Value £000's	% of net assets
Vanguard Global Short-Term Corp Bond Index Fund Institutional Plus GBP Hedged Acc	26,216	2,672	1.72
		<b>2,673</b>	<b>1.72</b>
<b>Global Emerging Markets Equity Funds 7.30% (11.02%)</b>			
Artemis SmartGARP Global Emerging Markets Equity Fund - Class I accumulation shares GBP	1,784,830	3,087	1.99
Federated Hermes Global Emerging Markets SMID Equity Fund - Class L Stg£ Acc. Shares	1,393,225	1,110	0.71
Fidelity Emerging Markets Fund - R Accumulation Shares	4,816,552	5,057	3.25
Redwheel Global Emerging Markets Fund Class S GBP DIST	11	1	0.00
Vanguard Emerging Markets Stock Index Fund - Institutional Plus GBP Acc	14,729	2,098	1.35
		<b>11,353</b>	<b>7.30</b>
<b>Global Emerging Markets Fixed Interest Funds 0.83% (0.57%)</b>			
M&G Emerging Markets Bond Fund Sterling Class PP-H - Income shares	1,721,751	1,292	0.83
		<b>1,292</b>	<b>0.83</b>
<b>Global Equity Funds 24.63% (17.90%)</b>			
Fidelity Global Dividend Fund - R Income (monthly) Shares	6,122,794	6,209	3.99
Fidelity Index World Fund - P Accumulation Shares	4,960,164	14,027	9.02
Fulcrum Equity Dispersion Fund Class I (GBP) HSC	8	1	0.00
Lazard Global Thematic Focus Fund J Dist GBP	76,293	7,956	5.12
RobecoSAM Sustainable Water Equities Fund - G GBP	7,790	2,012	1.30

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Schroder Global Sustainable Value Equity Fund Class Q1 Accumulation GBP†	7,803,915	4,203	2.70	Schroder GAIA Contour Tech Equity Fund Class C Accumulation GBP Hedged†	10	1	0.00
Trojan Ethical Fund, X Accumulation	3,274,967	3,879	2.50			<b>11,652</b>	<b>7.49</b>
		<b>38,287</b>	<b>24.63</b>	<b>Japanese Equity Funds 3.66% (5.19%)</b>			
<b>Global Fixed Interest Funds 6.98% (6.28%)</b>				Fidelity Index Japan Fund - P Accumulation Shares	1,130,366	2,262	1.46
HSBC Global Government Bond Fund Class:S2CHGBP	381,067	3,530	2.27	JPM Japan Fund - C Net Accumulation	759,440	2,224	1.43
Jupiter Strategic Bond Fund - I-Class Accumulation Units	1,680,151	1,648	1.06	WS Morant Wright Nippon Yield Fund, B Income	290,325	1,203	0.77
MI TwentyFour Investment Funds - Dynamic Bond Fund - I Accumulation Shares	9,928	1,645	1.06			<b>5,689</b>	<b>3.66</b>
Royal London International Government Bond Fund - Income Class M Shares	1,768,613	1,760	1.13	<b>Multi Asset Funds 2.47% (2.35%)</b>			
Schroder Strategic Credit Fund - Class S Accumulation GBP†	887,438	1,660	1.07	Schroder SSF Diversified Alternative Assets Fund Class S Distribution GBP†	43,027	3,843	2.47
Vanguard Investment Series - Global Short Term Bond Index Fund GBP Hedged Acc	5,707	604	0.39			<b>3,843</b>	<b>2.47</b>
		<b>10,847</b>	<b>6.98</b>	<b>Property Funds 2.45% (2.46%)</b>			
<b>Hedge Funds 7.49% (7.70%)</b>				iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK) - Class D Income GBP	2,463,842	3,806	2.45
Lumyna - BOFA MLCX Commodity Alpha Fund - GBP E1 (acc)	10	1	0.00			<b>3,806</b>	<b>2.45</b>
MontLake Crabel Gemini Fund - GBP Institutional A Pooled Class Shares	54,797	5,559	3.57	<b>UK Equity Funds 16.24% (22.21%)</b>			
MontLake Platform Dunn WMA Institutional Fund GBP Institutional Class B Pooled Shares	7	1	0.00	ES River and Mercantile UK Listed Smaller Companies Fund S Accumulation	1,217,211	2,354	1.51
Neuberger Berman Uncorrelated Strategies Fund - GBP I2 Accumulating Class	560,789	6,090	3.92	HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund Class: Accumulation C	1,430,955	10,095	6.49
				J O Hambro Capital Management UK Dynamic Fund - Y GBP Acc	9,243,266	9,095	5.85
				TB Evenlode Income C	1,513,564	3,709	2.39
						<b>25,253</b>	<b>16.24</b>
				<b>UK Fixed Interest Funds 0.00% (0.79%)</b>			
				<b>US Equity Funds 15.65% (12.73%)</b>			
				Artemis US Smaller Companies Fund - Class I accumulation shares, GBP	1,169,276	3,413	2.20

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets		Holding at 5.10.23	Market Value £000's	% of net assets
Fisher Investments Institutional US Small and Mid-Cap Core Equity Fund - Sterling Class Shares (unhedged)	10	1	0.00	Neuberger Berman US Large Cap Value Fund - GBP I4 Distributing Class - Unhedged	368,779	3,658	2.35
HSBC Index Tracker Investment Funds - American Index Fund - Class: Accumulation C	1,747,837	17,255	11.10			<b>24,327</b>	<b>15.65</b>
				<b>Collective Investment Schemes total</b>		<b>152,491</b>	<b>98.08</b>
				<b>Portfolio of investments</b>		<b>152,491</b>	<b>98.08</b>
				<b>Net other assets</b>		<b>2,980</b>	<b>1.92</b>
				<b>Net assets attributable to shareholders</b>		<b>155,471</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 11).

# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		3,307		(8,794)
Revenue	3	2,338		1,094	
Expenses	4	(264)		(197)	
Net revenue before taxation		<b>2,074</b>		<b>897</b>	
Taxation	5	(55)		(19)	
Net revenue after taxation			<b>2,019</b>		<b>878</b>
<b>Total return before distributions</b>			<b>5,326</b>		<b>(7,916)</b>
Distributions	6		(2,019)		(879)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>3,307</b>		<b>(8,795)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		106,766		36,270
Amounts transferred from other funds		-		67,221
Amounts receivable on issue of shares	54,290		25,021	
Amounts payable on cancellation of shares	(11,047)		(13,792)	
		<b>43,243</b>		<b>11,229</b>
Dilution adjustment		-		1
Change in net assets attributable to shareholders from investment activities		3,307		(8,795)
Retained distribution on Accumulation shares		2,155		840
<b>Closing net assets attributable to shareholders</b>		<b>155,471</b>		<b>106,766</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments		152,491		104,642	
<b>Current assets</b>					
Debtors	8	1,181		238	
Cash and bank balances		3,626		2,275	
<b>Total assets</b>		<b>157,298</b>		<b>107,155</b>	
<b>Liabilities</b>					
<b>Creditors</b>					
Distributions payable		(105)		(73)	
Other creditors	9	(1,722)		(316)	
<b>Total liabilities</b>		<b>(1,827)</b>		<b>(389)</b>	
<b>Net assets attributable to shareholders</b>		<b>155,471</b>		<b>106,766</b>	

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Blended Portfolio 7 are disclosed on pages 9 to 10.

### 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	3,305	(8,799)
Annual management charge rebates	2	5
<b>Net capital gains/(losses)</b>	<b>3,307</b>	<b>(8,794)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
Franked distributions	1,801	806
Unfranked distributions	64	-
Interest distributions	369	268
Bank interest	85	4
Annual management charge rebates	19	16
<b>Total revenue</b>	<b>2,338</b>	<b>1,094</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	264	194
<b>Other expenses:</b>		
Interest payable	-	3
<b>Total expenses</b>	<b>264</b>	<b>197</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 - £11,828).

### 5 Taxation

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

	2023	2022
	£000's	£000's
Corporation tax	55	19
<b>Total current tax (Note 5(b))</b>	<b>55</b>	<b>19</b>

Corporation tax has been provided for at a rate of 20% (2020 - 20%).

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

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

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies 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>2,074</b>	<b>897</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	415	179
<b>Effects of:</b>		
Revenue not subject to corporation tax	(360)	(161)
Tax on capital items	-	1
<b>Total tax charge for the year (Note 5(a))</b>	<b>55</b>	<b>19</b>

## 6 Distributions

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

	2023	2022
	£000's	£000's
Final Dividend distribution	2,260	913
Add: Revenue deducted on cancellation of shares	64	30
Deduct: Revenue received on issue of shares	(305)	(64)
<b>Distributions</b>	<b>2,019</b>	<b>879</b>
Net revenue after taxation	2,019	878
Tax on capital items	-	1
<b>Distributions</b>	<b>2,019</b>	<b>879</b>

Details of the distributions per share are set out in the Distribution Table on page 178.

## 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's 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	-	-	-	-
Level 2: Observable market data	152,491	-	104,642	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>152,491</b>	<b>-</b>	<b>104,642</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	1,024	202
Accrued revenue	157	36
<b>Total debtors</b>	<b>1,181</b>	<b>238</b>

### 9 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	1,637	71
Purchases awaiting settlement	-	200
Accrued expenses	30	26
Corporation tax payable	55	19
<b>Total other creditors</b>	<b>1,722</b>	<b>316</b>

### 10 Contingent liabilities

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

### 11 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £13,413 (2022 – £20,522) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts. Amounts due from the Authorised Corporate Director at the balance sheet date of £1,356 (2022 – Nil) are included under Debtors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 2.80% (2022 – 4.21%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £265,290 (2022 – £129,687) is included under Revenue in the Notes to the Accounts.

### 12 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 167 to 168.

The distributions per share class are given in the Distribution Table on page 178.

All classes have the same rights on winding up.

### 13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £15,249,100 (2022 - £10,464,200).

#### Foreign currency risk

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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 positions will be affected by fluctuations in interest rates.

At the year end date 2.33% (2022 – 2.13%) 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.

### 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.

## 14 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>						
Collective Investment Schemes	112,426	-	-	112,426	-	-
<b>Sales</b>						
Collective Investment Schemes	69,528	-	-	69,528	-	-
Total cost as a % of the Fund's average net asset value (%)						
		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	150,245	-	2	150,247	-	-
<b>Sales</b>						
Collective Investment Schemes	72,557	-	-	72,557	-	-
Total cost as a % of the Fund's average net asset value (%)						
		-	-			

### Average portfolio dealing spread

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

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.

## 15 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 5.10.23
F Accumulation shares	124,763,764	55,806,736	(7,111,697)	(4,276)	173,454,527
F Income shares	17,488,074	1,434,310	(4,526,039)	6,229	14,402,574
Z Accumulation shares	19,657,282	21,693,130	(6,017,711)	-	35,332,701



# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	77.69p	73.09p	6.29
F Income shares	52.55p	50.16p	4.76

Z Accumulation shares converted into F Accumulation shares on 30 November 2023.

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	1.0639p	-	1.0639p	0.5970p
Group 2	0.6476p	0.4163p	1.0639p	0.5970p
<b>F Income shares</b>				
Group 1	0.7264p	-	0.7264p	0.4152p
Group 2	0.3524p	0.3740p	0.7264p	0.4152p
<b>Z Accumulation shares</b>				
Group 1	0.8765p	-	0.8765p	0.4841p
Group 2	0.5803p	0.2962p	0.8765p	0.4841p

## Equalisation

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

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

# Schroder Blended Portfolio 8

## Fund Information

### Investment objective and policy

Schroder Blended Portfolio 8 (the 'Fund') aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 85% to 100% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 8, which aims to be the highest risk fund in this range with the highest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.
- (E) derivatives.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests up to 100% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives directly.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

*With effect from 14 March 2023 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide with a target average annual volatility (a measure of how much the Fund's returns may vary over a year) over a rolling five year period of between 85% to 100% of that of global stock markets (represented by the MSCI All Country World index).

The Fund is part of the SISCO Schroder Blended Portfolio range, which offers six funds with different expected combinations of investment risk and return. This Fund is risk level 8, which aims to be the highest risk fund in this range with the highest equity weighting.

The Fund is actively managed and invests its assets in collective investment schemes, closed ended investment schemes, real estate investment trusts and exchange traded funds which themselves invest worldwide in any of the following:

- (A) equity or equity related securities;
- (B) fixed income securities (including government bonds and corporate bonds);
- (C) currencies; and
- (D) alternative assets.

Alternative assets may include funds that use absolute return strategies or funds that invest indirectly in real estate and commodities.

The Fund seeks to achieve the target volatility range by varying the weighting of asset types. During the relevant rolling five year period the Fund's volatility may be higher or lower than the target range if the investment manager believes it is necessary to seek to mitigate potential losses. The Fund's potential gains and losses are likely to be constrained by the aim to achieve its target volatility range.

The Fund invests up to 100% of its assets in equity and equity related securities.

The Fund may invest up to 20% of its assets in Schroder funds. The Fund may also hold cash.

The Fund will not use derivatives.

The reference to "blended" in the Fund's name reflects that within the framework of the Fund's long term strategic priorities, the Investment Manager invests in a blend of actively managed third party funds and passive index-tracking third-party funds.

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the Investment Association Flexible Investment sector average return. The comparator benchmark has been selected because the Investment Manager and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**From 5 October 2022 to 5 October 2023, the price of F Accumulation shares on a dealing price basis rose 5.96%. In comparison, Investment Association Flexible Investment Sector Average generated a total return of 2.29%<sup>1</sup>.**

We are monitoring the economic and market environment to understand the risks and opportunities that may arise. A key concern remains inflation and the resulting consequences. We believe that central banks will be reluctant to cut interest rates until they consider inflation is clearly under control. Given this, we remain cautiously optimistic about our fixed income allocation. We expect the defensive characteristics of government bonds to re-assert themselves as inflationary pressures continue to fall. This offers protection against the potential for a more meaningful growth slowdown.

Alongside the delayed effects of a rapid rise in interest rates, there are ongoing recessionary risks in the equity market. In this environment, we believe that higher-quality and defensive businesses will be resilient. Quality companies are typically those with strong balance sheets, low levels of debt, and a history of generating stable earnings and cash flows. In line with our preference for larger companies with defensive quality characteristics, we added the Fidelity Global Dividend Fund to the Global Equity allocation in April 2023.

Over the last 18 months we have leaned into value or growth orientated strategies in markets and regions we deemed appropriate and beneficial. Growth stocks tend to be companies with high earnings growth potential, often in emerging industries or with innovative products or services. Value stocks are those that are undervalued by the market, often due to temporary setbacks or challenges. Historically, growth and value stocks have tended to perform differently in different market environments. As we approach the transitional period from interest rate increases, to pausing, and eventually cutting interest rates, we believe that a more equal weighting to these investing strategies is prudent.

We're using alternative assets to provide investors with additional diversification in the face of volatility. Alternatives are investments outside of the traditional asset classes of equities, bonds and cash. We're focusing on return-enhancing and risk-diversifying funds, and we're tilted towards assets like hedge funds, infrastructure and specialised property. If we move to return-enhancing assets, we'll need to balance the level of risk we take on with the potential for generating returns.

In April 2023 we made changes to our Strategic Asset Allocation. In our latest return forecast, we revised up the return we expect on cash over the long-term which in turn, led us to revise up expected returns for other asset classes. As a result, we increased exposure to government bonds within the portfolio, funded through a reduction in equities. This provides an opportunity for the portfolio to deliver its expected level of long-term return at a slightly lower level of expected risk. We also adjusted the regional allocation within Equities. We reduced the allocation to UK, Japanese and Emerging Market Equities and increased the allocation to US Equities. We also increased the allocation to the Global Equity asset class.

An allocation of 60% exposure to active funds and 40% exposure to passive funds remains appropriate. Our analysis evaluates the state of the global economy using data on a broad range of components which tracks global activity trends. When the data indicates a negative outlook and a slowdown in the economy, we typically allocate larger portions to active managers and vice versa. Within each asset class, the split between active and passive managers can differ. We allocate to active managers where we believe they will add the most value.

**CIO, Schroder Investment Solutions:  
Alex Funk**



Alex has many years of financial services experience which ranges from discretionary fund management, corporate finance, banking, capital raising, private equity to venture capital

Alex started managing a discretionary fund management business in South Africa and Mauritius, where he designed and managed model portfolios for financial advisers and wealth management firms across the world

Alex has extensive experience in managing multi-asset portfolios in the UK and is responsible for a range of portfolios and funds

Alex holds a Bcom Honours in Financial Analysis (Cum Laude) from the University of Stellenbosch, South Africa and is a CFA Charterholder

<sup>1</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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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).

# Comparative Table

Financial year to 5 October	F Accumulation shares			Z Accumulation shares		
	2023 pence per share	2022 pence per share	2021 pence per share	2023 pence per share	2022 pence per share	2021 pence per share
<b>Change in net asset value</b>						
Opening net asset value	71.44	75.63	62.79	57.63	61.01	50.65
Return before operating charges*	4.69	(3.76)	13.31	3.79	(3.03)	10.74
Operating charges	(0.48)	(0.43)	(0.47)	(0.39)	(0.35)	(0.38)
<b>Return after operating charges*</b>	<b>4.21</b>	<b>(4.19)</b>	<b>12.84</b>	<b>3.40</b>	<b>(3.38)</b>	<b>10.36</b>
Distributions**	(0.81)	(0.49)	(0.40)	(0.67)	(0.40)	(0.36)
Retained distributions**	0.81	0.49	0.40	0.67	0.40	0.36
<b>Closing net asset value</b>	<b>75.65</b>	<b>71.44</b>	<b>75.63</b>	<b>61.03</b>	<b>57.63</b>	<b>61.01</b>
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges (%)	5.89	(5.54)	20.45	5.90	(5.54)	20.45
<b>Other information</b>						
Closing net asset value (£000's)	45,216	20,986	16,246	20,147	4,848	2,940
Closing number of shares	59,772,723	29,376,903	21,482,470	33,010,176	8,412,257	4,818,002
Operating charges (%)	0.63	0.57	0.59	0.63	0.57	0.59
<b>Prices</b>						
Highest dealing price	78.73p	80.20p	78.69p	63.51p	64.71p	63.49p
Lowest dealing price	69.38p	69.66p	62.07p	55.97p	56.20p	50.07p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share 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 Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares 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).

**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.**

# Portfolio Statement

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 98.02% (96.95%)</b>			
<b>Absolute Return Funds 0.00% (0.00%)</b>			
AQR Alternative Trends Fund IDG3 GBP Dis	9	1	0.00
Coremont Investment Fund - Brevan Howard Absolute Return Government Bond Fund A2 GBP Cap	10	1	0.00
Coremont Investment Fund - Landseeram European Equity Focus Long/Short Fund Class I GBP Acc	10	1	0.00
Lyxor / Tiedemann Arbitrage Strategy Fund - Class SI GBP	9	1	0.00
Vontobel TwentyFour Absolute Return Credit Fund AQNG GBP	10	1	0.00
		<b>5</b>	<b>0.00</b>
<b>Asia Pacific ex Japan Equity Funds 2.86% (3.43%)</b>			
First Sentier Investors FSSA Asia Focus Fund - Class B (Accumulation) GBP	870,790	1,872	2.86
		<b>1,872</b>	<b>2.86</b>
<b>Europe ex UK Equity Funds 7.61% (7.38%)</b>			
Fidelity Index Europe ex UK Fund - P Accumulation Shares	774,412	1,492	2.28
J O Hambro Capital Management Umbrella Fund - Continental European Fund X GBP	2,657,827	2,987	4.57
Premier Miton European Opportunities Fund Class F Accumulation Shares	189,720	494	0.76
		<b>4,973</b>	<b>7.61</b>
<b>Global Corporate Bond Funds 0.00% (0.00%)</b>			
Schroder Cat Bond Fund Class PI Distribution GBP Hedged <sup>†</sup>	10	1	0.00
		<b>1</b>	<b>0.00</b>
<b>Global Emerging Markets Equity Funds 10.83% (13.55%)</b>			
Artemis SmartGARP Global Emerging Markets Equity Fund - Class I accumulation shares GBP	1,117,600	1,933	2.96
Federated Hermes Global Emerging Markets SMID Equity Fund - Class L StgE Acc. Shares	900,106	717	1.10

	Holding at 5.10.23	Market Value £000's	% of net assets
Fidelity Emerging Markets Fund - R Accumulation Shares	2,952,701	3,100	4.74
Redwheel Global Emerging Markets Fund Class S GBP DIST	11	1	0.00
Robeco Capital Growth Emerging Stars Equities Fund - F GBP <sup>^</sup>	-	0	0.00
Vanguard Emerging Markets Stock Index Fund - Institutional Plus GBP Acc	9,328	1,328	2.03
		<b>7,079</b>	<b>10.83</b>
<b>Global Equity Funds 27.38% (19.73%)</b>			
Fidelity Global Dividend Fund - R Income (monthly) Shares	3,075,269	3,118	4.77
Fidelity Index World Fund - P Accumulation Shares	2,394,162	6,770	10.36
Fulcrum Equity Dispersion Fund Class I (GBP) HSC	8	1	0.00
Lazard Global Thematic Focus Fund J Dist GBP	37,711	3,933	6.02
RobecoSAM Sustainable Water Equities Fund - G GBP	3,826	988	1.52
Schroder Global Sustainable Value Equity Fund Class Q1 Accumulation GBP <sup>†</sup>	3,824,504	2,060	3.15
Trojan Ethical Fund, X Accumulation	860,813	1,020	1.56
		<b>17,890</b>	<b>27.38</b>
<b>Global Fixed Interest Funds 1.54% (0.00%)</b>			
HSBC Global Government Bond Fund Class:S2CHGBP	65,559	607	0.93
Royal London International Government Bond Fund - Income Class M Shares	298,602	297	0.46
Vanguard Investment Series - Global Short Term Bond Index Fund GBP Hedged Acc	942	100	0.15
		<b>1,004</b>	<b>1.54</b>
<b>Hedge Funds 4.64% (4.79%)</b>			
Lumyna - BOFA MLCX Commodity Alpha Fund - GBP E1 (acc)	10	1	0.00

# Portfolio Statement (continued)

	Holding at 5.10.23	Market Value £000's	% of net assets
MontLake Crabel Gemini Fund - GBP Institutional A Pooled Class Shares	14,723	1,494	2.29
MontLake Platform Dunn WMA Institutional Fund GBP Institutional Class B Pooled Shares	7	1	0.00
Neuberger Berman Uncorrelated Strategies Fund - GBP I2 Accumulating Class	141,542	1,537	2.35
Schroder GAIA Contour Tech Equity Fund Class C Accumulation GBP Hedged	10	1	0.00
		<b>3,034</b>	<b>4.64</b>
<b>Japanese Equity Funds 4.14% (5.85%)</b>			
Fidelity Index Japan Fund - P Accumulation Shares	558,694	1,118	1.71
JPM Japan Fund - C Net Accumulation	351,433	1,029	1.57
WS Morant Wright Nippon Yield Fund, B Income	135,570	562	0.86
		<b>2,709</b>	<b>4.14</b>
<b>Multi Asset Funds 1.52% (1.43%)</b>			
Schroder SSF Diversified Alternative Assets Fund Class S Distribution GBP†	11,078	989	1.52
		<b>989</b>	<b>1.52</b>
<b>Property Funds 2.25% (2.30%)</b>			
iShares Environment & Low Carbon Tilt Real Estate Index Fund (UK) - Class D Income GBP	950,528	1,468	2.25
		<b>1,468</b>	<b>2.25</b>

	Holding at 5.10.23	Market Value £000's	% of net assets
<b>UK Equity Funds 17.85% (23.38%)</b>			
ES River and Mercantile UK Listed Smaller Companies Fund S Accumulation	577,714	1,117	1.71
HSBC Index Tracker Investment Funds - FTSE All-Share Index Fund Class: Accumulation C	676,356	4,772	7.30
J O Hambro Capital Management UK Dynamic Fund - Y GBP Acc	4,123,588	4,058	6.21
TB Evenlode Income C	701,800	1,720	2.63
		<b>11,667</b>	<b>17.85</b>
<b>US Equity Funds 17.40% (15.11%)</b>			
Artemis US Smaller Companies Fund - Class I accumulation shares, GBP	553,200	1,615	2.47
Fisher Investments Institutional US Small and Mid-Cap Core Equity Fund - Sterling Class Shares (unhedged)	10	1	0.00
HSBC Index Tracker Investment Funds - American Index Fund - Class: Accumulation C	813,918	8,035	12.29
Neuberger Berman US Large Cap Value Fund - GBP I4 Distributing Class - Unhedged	173,833	1,725	2.64
		<b>11,376</b>	<b>17.40</b>
<b>Collective Investment Schemes total</b>		<b>64,067</b>	<b>98.02</b>
<b>Portfolio of investments</b>		<b>64,067</b>	<b>98.02</b>
<b>Net other assets</b>		<b>1,296</b>	<b>1.98</b>
<b>Net assets attributable to shareholders</b>		<b>65,363</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 5 October 2022.

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

† A related party to the Fund (Note 11).



# Statement of Total Return

For the year ended 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		1,061		(1,554)
Revenue	3	679		214	
Expenses	4	(93)		(46)	
Net revenue before taxation		<b>586</b>		<b>168</b>	
Taxation	5	-		-	
Net revenue after taxation			<b>586</b>		<b>168</b>
<b>Total return before distributions</b>			<b>1,647</b>		<b>(1,386)</b>
Distributions	6		(586)		(168)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,061</b>		<b>(1,554)</b>

# Statement of Change in Net Assets Attributable to Shareholders

For the year ended 5 October 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		25,834		19,186
Amounts receivable on issue of shares	45,965		12,993	
Amounts payable on cancellation of shares	(8,204)		(4,968)	
		<b>37,761</b>		<b>8,025</b>
Change in net assets attributable to shareholders from investment activities		1,061		(1,554)
Retained distribution on Accumulation shares		707		177
<b>Closing net assets attributable to shareholders</b>		<b>65,363</b>		<b>25,834</b>

# Balance Sheet

As at 5 October 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			64,067		25,046
<b>Current assets</b>					
Debtors	8		143		309
Cash and bank balances			1,182		492
<b>Total assets</b>			<b>65,392</b>		<b>25,847</b>
<b>Liabilities</b>					
<b>Creditors</b>					
Other creditors	9		(29)		(13)
<b>Total liabilities</b>			<b>(29)</b>		<b>(13)</b>
<b>Net assets attributable to shareholders</b>			<b>65,363</b>		<b>25,834</b>

# Notes to the Accounts

## For the year ended 5 October 2023

### 1 Accounting policies

#### Basis of preparation

The applicable accounting policies adopted by Schroder Blended Portfolio 8 are disclosed on pages 9 to 10.

### 2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	1,061	(1,554)
<b>Net capital gains/(losses)</b>	<b>1,061</b>	<b>(1,554)</b>

### 3 Revenue

	2023	2022
	£000's	£000's
Franked distributions	630	205
Unfranked distributions	16	-
Interest distributions	1	5
Bank interest	31	1
Annual management charge rebates	1	3
<b>Total revenue</b>	<b>679</b>	<b>214</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	93	46
<b>Total expenses</b>	<b>93</b>	<b>46</b>

<sup>1</sup> Audit fees including VAT for the financial year ending 2023 were £8,440 (2022 – £10,628).

### 5 Taxation

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

#### (a) Factors affecting the total tax charge for the year

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for Open Ended Investment Companies 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>586</b>	<b>168</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	117	34
<b>Effects of:</b>		
Revenue not subject to corporation tax	(126)	(41)
Movement in excess management expenses	9	7
<b>Total tax charge for the year</b>	<b>-</b>	<b>-</b>

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

At the balance sheet date, there is a potential deferred tax asset of £21,102 (2022 – £12,345) 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.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 6 Distributions

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

	2023	2022
	£000's	£000's
Final Dividend distribution	707	177
Add: Revenue deducted on cancellation of shares	38	4
Deduct: Revenue received on issue of shares	(159)	(13)
<b>Distributions</b>	<b>586</b>	<b>168</b>

Details of the distributions per share are set out in the Distribution Table on page 190.

### 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's 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	-	-	-	-
Level 2: Observable market data	64,067	-	25,046	-
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>64,067</b>	<b>-</b>	<b>25,046</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 Authorised Corporate Director 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 Authorised Corporate Director 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 Authorised Corporate Director with particular attention paid to the carrying value of the investments.

### 8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of shares	75	302
Accrued revenue	68	7
<b>Total debtors</b>	<b>143</b>	<b>309</b>

### 9 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of shares	16	6
Accrued expenses	13	7
<b>Total other creditors</b>	<b>29</b>	<b>13</b>

### 10 Contingent liabilities

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

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 11 Related party transactions

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

Amounts paid during the year or due to the Authorised Corporate Director 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 Authorised Corporate Director of £1,383 (2022 – £3,341) are disclosed under Net capital gains/(losses) and Revenue in the Notes to the Accounts. Amounts due from the Authorised Corporate Director at the balance sheet date of £157 (2022 – Nil) are included under Debtors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were Nil (2022 – Nil).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £63,795 (2022 – £9,504) is included under Revenue in the Notes to the Accounts.

### 12 Share classes

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

The Fund may invest up to 100% of its net asset value in shares of collective investment schemes. The maximum level of Authorised Corporate Director fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 182.

The distributions per share class are given in the Distribution Table on page 190.

Both classes have the same rights on winding up.

### 13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, derivative, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director'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 Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, 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 shareholders would increase or decrease by approximately £6,406,700 (2022 - £2,504,600).

#### Foreign currency risk

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

#### Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. 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 positions will be affected by fluctuations in interest rates.

At the year end date 1.81% (2022 – 1.90%) 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.

#### 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.

# Notes to the Accounts

## For the year ended 5 October 2023 (continued)

### 14 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>						
Collective Investment Schemes	62,167	-	-	62,167	-	-
<b>Sales</b>						
Collective Investment Schemes	24,673	-	-	24,673	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Collective Investment Schemes	28,378	-	-	28,378	-	-
<b>Sales</b>						
Collective Investment Schemes	20,495	-	-	20,495	-	-
Total cost as a % of the Fund's average net asset value (%)		-	-			

#### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was Nil (2022 - Nil).

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.

### 15 Shares in issue reconciliation

	Number of shares in issue 5.10.22	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 5.10.23
F Accumulation shares	29,376,903	36,804,954	(6,409,134)	-	59,772,723
Z Accumulation shares	8,412,257	30,130,167	(5,532,248)	-	33,010,176

### 16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 5 October 2023, the price of each share class has changed as follows:

	Dealing price 29.1.24	Dealing price 5.10.23	% change
F Accumulation shares	80.28p	75.44p	6.42

Z Accumulation shares converted into F Accumulation shares on 29 November 2023.

# Distribution Table

## Final distribution for the year ended 5 October 2023

**Group 1** Shares purchased prior to 6 October 2022

**Group 2** Shares purchased on or after 6 October 2022

	Net revenue 2023 per share	Equalisation 2023 per share	Distribution payable 5.12.23 per share	Distribution paid 5.12.22 per share
<b>F Accumulation shares</b>				
Group 1	0.8146p	-	0.8146p	0.4880p
Group 2	0.5023p	0.3123p	0.8146p	0.4880p
<b>Z Accumulation shares</b>				
Group 1	0.6662p	-	0.6662p	0.3966p
Group 2	0.4311p	0.2351p	0.6662p	0.3966p

## Equalisation

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

Being capital it is not liable to income tax but must be deducted from the cost of shares 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 <https://www.schroders.com/en/global/individual/corporate-transparency/disclosures/remuneration-disclosures/>.

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

# General Information

## Authorised Corporate Director

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

## Directors

J. Rainbow (Chairman)  
P. Chislett  
L. Morgan  
A. O'Donoghue  
S. Reedy  
C. Thomson  
P. Truscott  
H. Williams

## Investment Manager

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

## Sub-Investment Manager

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

## Depository

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

## Registrar

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

The Authorised Corporate Director 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 Company is an investment Company with variable capital under Regulation 12 of the OEIC Regulations, incorporated with limited liability in England and Wales and authorised by the Financial Conduct Authority under Regulation 14 of the OEIC Regulations. The Company 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.

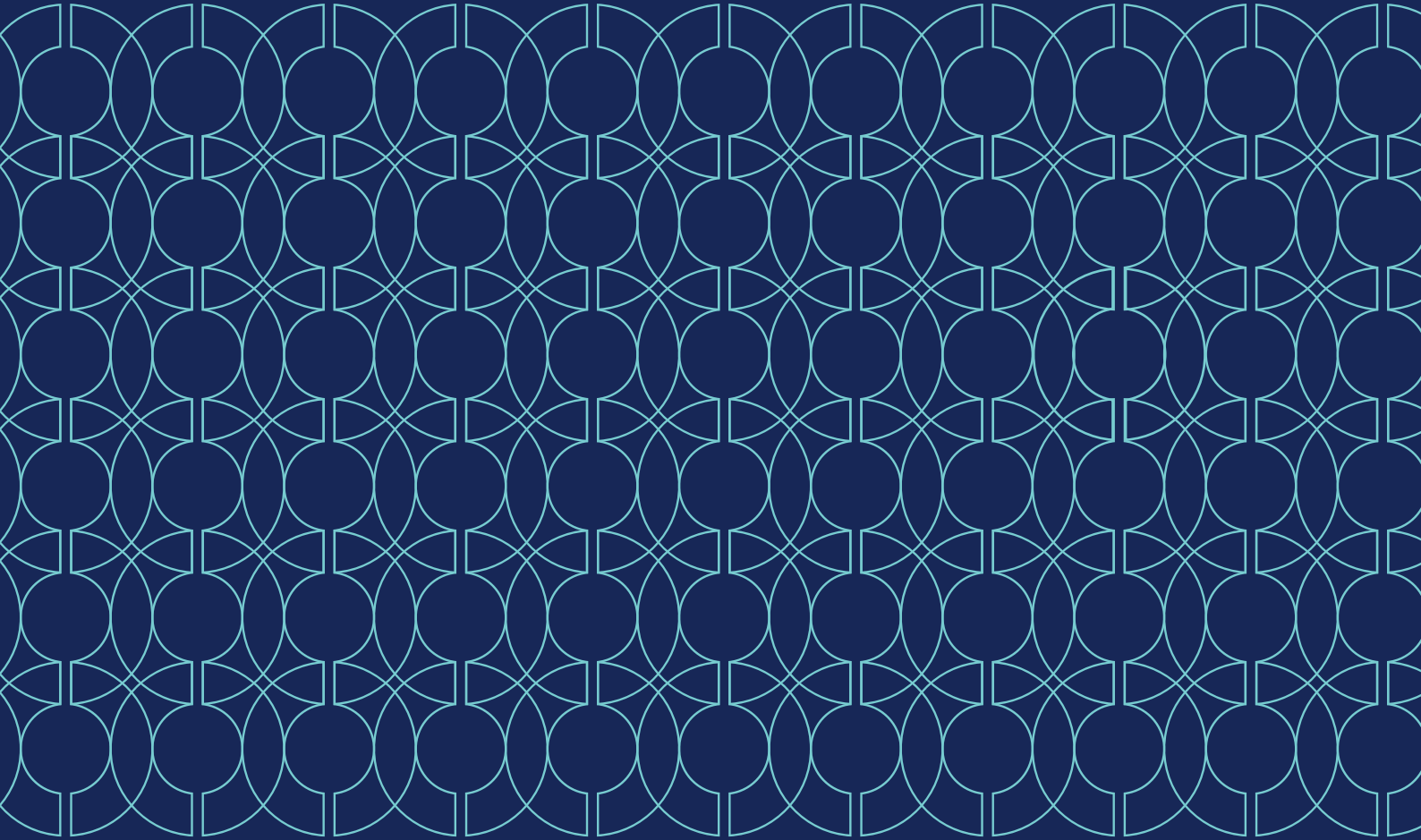
## Task Force on Climate-Related Financial Disclosures

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/).

## 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).





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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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