

SNAPSHOT

Schroder Specialist Private Equity Fund

Portfolio update

March 2023

Manager commentary

The Schroder Specialist Private Equity Fund (the Fund or the Australian feeder Fund) invests substantially all of its assets in the Schrodgers Capital Semi-Liquid Global Private Equity, a Luxembourg fund (the Underlying Fund).

In March 2023, the Underlying Fund recorded a positive performance of 2.1%¹ bringing the performance of the Underlying Fund since its inception in September 2019 to +71.6% (net of fees in USD)¹. During the month, in AUD the Fund returned a positive performance of 2.8% (net of fees)¹ bringing the cumulative return to 67.7% (net of fees in AUD)¹.

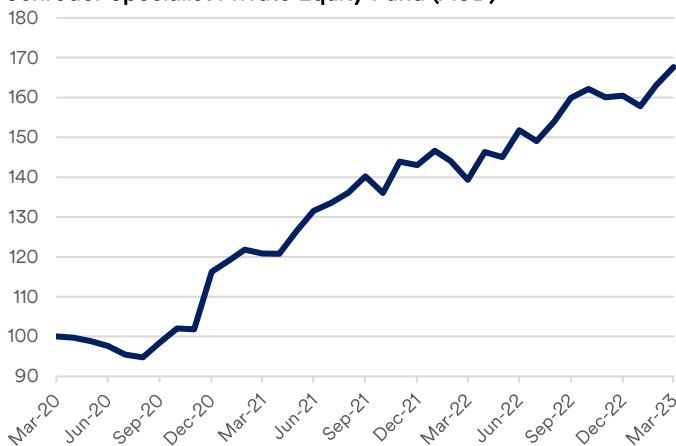
The investment performance was primarily driven by individual portfolio companies' events, including Exterro's acquisition of Zapproved. This business combination is expected to offer highly synergistic value in the legal technology space. The Fund initially invested into Exterro alongside Leeds Equity Partners via a continuation fund in July 2022. Another contributor to this month's performance was a follow-on investment in Rad-X, a network of 23 diagnostic imaging centres in Switzerland and Germany, offering radiology and nuclear medicine services, in which Schrodgers Capital initially invested in 2020 alongside Gilde Healthcare. In March 2023, the Fund provided additional capital to further the buy and build strategy in Germany. The Fund was selected as the preferred provider of capital securing preferential rights and generating an immediate positive performance.

Overall, portfolio companies continue to execute on their value creation plans and we continue to observe positive financial performance², strong revenue growth and healthy margins across the portfolio.

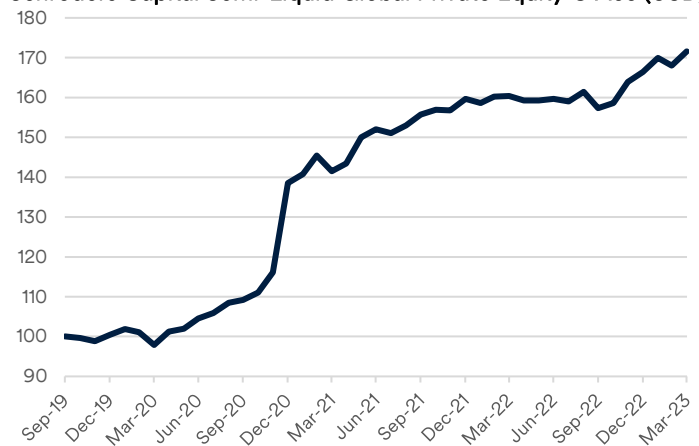
The total fund NAV as of 31 March 2023 was USD\$1,172 million.

Price history since inception

Schroder Specialist Private Equity Fund (AUD)



Schrodgers Capital Semi-Liquid Global Private Equity C Acc (USD)



Fund and Underlying Fund performance

Cumulative performance (net of fees)	1 month	3 months	6 months	1 year	2 years (p.a.)	3 years (p.a.)	Since inception p.a.	Since inception cum.
Schroder Specialist Private Equity Fund (AUD)	2.8%	4.5%	4.9%	20.3%	17.8%	18.8%	18.8%	67.7%
Schrodgers Capital Semi-Liquid Global Private Equity C Acc (USD)	2.1%	3.1%	9%	7%	10.1%	20.6%	20.6%	71.6%

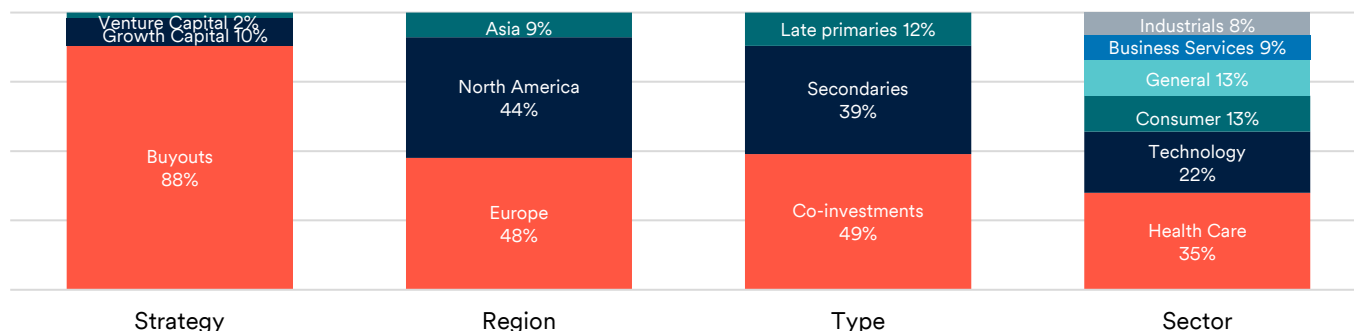
¹ Past performance is not a guide to future performance. IA acc USD (ISIN: LU2005485821) NAV per share price development between 28.02.2023 and 31.03.2023.

² The views are those of Schrodgers Capital's and no assurance can be provided that forecasts/estimates will be realized.

Source: Schroders, 31 March 2023. Both charts show returns since inception of each fund. The inception dates of Schroders Capital Semi-Liquid Global Private Equity C Acc share class and Schroder Specialist Private Equity Fund are in September 2019 and March 2020 respectively. **Past performance is not a reliable indicator of future performance and may not repeat. All performance is shown net of fees.**

Portfolio allocation as of 31 March 2023³

In % of investment portfolio Fair Market Value



Source: Schroders Capital, 2023. Investment data as of 31 March 2023.

Top-5 Direct/co-investments⁴

Rad-X (follow-on)	Operator of diagnostic imaging centres in Switzerland and Germany.	3.5%
Captain D's Seafood Kitchen	QSR/fast-casual restaurants, focused on providing high quality, freshly prepared seafood at a value price point	3.0%
Natus Medical	Medical device specialist focused on central nervous and sensory system disorders	2.8%
Galaxy Universal	One of the largest privately held designers, producers and importers of athletic and outdoor footwear in the US	2.64%
Unirac	Manufacturer of grids for solar panels	2.5%

Top 5 Partnership investments

Trinity Hunt Partners Cont. Fund	Multi-Asset GP-led with a growth-oriented manager for 2 portfolio companies	5.8%
Norvestor GP-led	Multi-Asset GP-led with a manager focused on tech services companies for 4 portfolio companies	3.7%
Exterro GP-led	Single Asset GP-led by Leeds Equity Partners in Exterro; a governance and compliance legal software provider for companies	3.6%
Apposite Healthcare III	Late primary in European small-cap healthcare buyout investor focused on patient and social care, digital health, MedTech and medical products	3.3%
G Square Capital Cont. Vehicle	Multi-Asset GP-led with one of Schroders Capital's core European healthcare specialist managers for 3 portfolio companies	2.7%

Deals pipeline⁵

Schroders Capital is currently working on 12 advanced investment opportunities to be closed by end of H2 2023. We continue to observe a high level of activity in the market and in our investment pipeline. We therefore remain confident⁶ in our ability to deploy capital in the current environment.

³ Portfolio allocation reflects investments closed as of 31.03.2023 and may be modified as it deems appropriate to achieve the objectives of the fund. A list of all investments could be available upon request.

⁴ Note that we present both direct and indirect exposure such as single asset funds. Note that not all investments perform the way it is demonstrated above. A list of all investment performances could be available upon request.

⁵ The investment pipeline is illustrative only and not a recommendation to buy or sell.

⁶ The views shared are those of Schroders Capital and may not lead to favourable investment outcomes.

Key risk considerations

While private equity investments offer potentially significant capital returns, funds and companies may face business and financial uncertainties. There can be no assurance that their use of the financing will be profitable to them or to any Fund. Investing in private equity and venture capital funds and unlisted companies entails a higher risk than investing in companies listed on a recognised stock exchange or on other regulated markets. The below table highlights some of the key risk factors that contribute to the higher level of risk associated with private equity investments. For more details and a complete list of key risk factors, please refer to the PDS of Schroder Specialist Private Equity Fund.

Investment risk	Private equity investments typically display uncertainties which do not exist to the same extent in other investments (e.g. listed securities). Private equity investments may be in entities which have only existed for a short time, which have little business experience, whose products do not have an established market, or which are faced with restructuring etc. Any forecast of future growth in value may therefore often be encumbered with greater uncertainties than is the case with many other investments. The Underlying Fund is also permitted to invest in other private equity funds established in jurisdictions with no or little regulatory supervision, which may result in higher risk, and there are also costs associated with such investments that would be borne by investors in the Underlying Fund, including the Fund.
Underlying Fund structure	The directors of the Underlying Fund have broad discretion to cease the withdrawal of shares in the Underlying Fund. Any restriction will directly limit the ability of the Fund to redeem the interests it holds in the Underlying Fund. In addition, net withdrawals out of the Underlying Fund are generally limited at 5% of NAV per calendar quarter. This may limit the ability of investors to withdraw from the Fund. In addition, as the Fund invests substantially all of its assets in the Underlying Fund, it is exposed to the risk that the investment manager of the Underlying Fund may make poor investment decisions or that the investment strategy of the Underlying Fund is not successful.
Capital loss risk	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.
Market risk	Market risk is the risk of investment losses due to negative effects of the capital markets on the overall performance of the Fund.
Credit risk	The Underlying Fund will have an investor commitment/draw-down funding model which exposes the investment vehicle to the credit risk of its investors. If an investor fails to comply with a drawdown notice, the investment vehicle may be unable to pay its obligations when due.
Liquidity risk	Given the illiquid nature of private equity investments, investing in private equity are subject to asset liquidity risk. This liquidity risk is a result of the likelihood that a loss from current net asset value would be realised if an asset in the Fund or Underlying Fund needed to be sold quickly in the secondary market to meet the obligations of the Fund or Underlying Fund.
Currency risk	Investments in companies or instruments which are denominated in currencies other than the Fund's or Underlying Fund's respective currency expose the Fund to the risk of losses in case foreign currencies depreciate.
Valuation risk	It may be difficult to find appropriate pricing references in respect of unlisted investments. This difficulty may have an impact on the valuation of the portfolio of investments of a sub-fund. Certain investments are valued on the basis of estimated prices and therefore subject to potentially greater pricing uncertainties than listed securities.

Fund Ratings

Zenith: Recommended
Lonsec: Recommended

The Fund is available on the following Platforms

Hub24	Macquarie Wrap	Netwealth
uXchange	Xplore Wealth	Mason Stevens
BT Panorama	CFS FirstWrap	AMP North
Praemium	Explore	

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