

Assessment of Value (AoV) Report

April 2024



Schroders

Chair's letter



Howard Williams
Chair of Schroder Unit Trusts Limited

As uncertainties in the global landscape persist, we remain dedicated to finding attractive investment opportunities that can withstand economic and geopolitical change as well as deliver investment returns over the long term.

This is our fifth Assessment of Value report, covering our Asset Management funds, and it aligns with our core purpose: to provide the best possible service and investment performance through active management. As part of our continued commitment to you, and the reporting responsibility set by the Financial Conduct Authority (FCA), we produce this Assessment of Value report annually for each UK-domiciled investment fund that we manage. The data for this report was collected as at 31 December 2023.

Assessing the value created by our funds is a continual process that we have incorporated into their everyday oversight. The risk and performance of each fund is formally reviewed at Committees and by the Board of Schroder Unit Trusts Limited, the manager of the funds covered in this report. These discussions are integrated into our annual assessment.

The Board is committed to taking appropriate and timely action when necessary. Following last year's assessment, we implemented several measures, including:

- Taking action on individual funds identified as not consistently demonstrating value. This included making changes to portfolio managers and portfolio composition (see the performance section on page 6 for more information).

- Continuing to offer scale discounts for retail investors in our largest funds. Since we implemented scale discounts in the fourth quarter of 2020, retail investors have benefitted from discounts worth approximately £4.8 million in aggregate. In 2023, we saved investors £1.1 million in fees due to scale discounts (see the economies of scale section on page 10 for more information).
- Continuing to pass cost savings to retail investors through our automatic share class conversions. Since 2021, we have saved investors more than £800,000 in aggregate (including £168,000 in 2023) in lower fees (see the classes of units section on page 12 for more information).
- Reducing fee levels for our funds where our analysis showed that pricing was not as competitive as we would wish.

We are committed to continually improving the clarity of the findings summarised in this report. We provide a clear outline of our methodology, conclusions and next steps for each of the seven areas assessed. We also describe the governance steps that we undertake throughout the Assessment of Value lifecycle. By providing detailed and comprehensive information, we aim to ensure that our stakeholders have a thorough understanding of our assessment process and any actions we are taking to deliver better value.

Market dynamics were complex in 2023. Whilst developed equity markets generally performed well, gains were disproportionately driven by just a few very large companies in the US and Europe. This proved a challenge for active investment strategies not targetting this narrow section of markets. Furthermore, rising interest rates made cash savings an increasingly attractive alternative to bonds and equities. Against this backdrop, we remain committed to helping investors navigate markets and meet their long-term savings goals. With inflationary pressures easing and the prospect of interest rates falling around the globe, we believe that there are reasons for UK investors to be optimistic.

We hope this report will assist you by providing a useful summary of the value that our funds provide. We also hope it will help to promote enhanced transparency, governance and positive outcomes for investors, ultimately strengthening trust in the asset management industry.



Assessing the value created by our funds is a continual process that we have incorporated into their everyday oversight.





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Schroder Unit Trusts Limited (SUTL) board of directors*

The SUTL board, which includes executive directors and independent non executive directors, is responsible for representing the best interests of investors and implementing the outcomes of the Assessment of Value.



James Rainbow
Head of UK, Client Group

Executive director of SUTL and joined the board in December 2019.

James Rainbow is Head of UK Client Group and a member of Schroders Group Management Committee. He joined Schroders in 2007 and has more than 25 years of industry experience.



Ravi Lamba
Head of Group Financial Control

Executive director of SUTL and joined the board in March 2024.

Ravi is Head of Group Financial Control at Schroders. He joined Schroders in 2020 and is a chartered accountant with more than 20 years of industry experience.



Anna O'Donoghue
Global Head of Product Development & Governance

Executive director of SUTL and joined the board in September 2022.

Anna is Global Head of Product Development and Governance at Schroders and has an executive MBA. She joined Schroders in 2019 and has more than 20 years of industry experience.



Paul Truscott
Head of Product Development, UK and Europe

Executive director of SUTL and joined the board in July 2019.

Paul is Head of Product Development, UK and Europe at Schroders. He joined Schroders in 1991 and is a chartered management accountant with more than 30 years of industry experience.



Stephen Reedy
Head of EMEA Operations Hub

Executive director of SUTL and joined the board in December 2019.

Stephen is Head of EMEA Operations Hub at Schroders, providing operational services across the region. He joined Schroders in 2019 and is a chartered accountant with more than 25 years of industry experience.



Howard Williams
Independent Non-Executive Director

Chair of SUTL since December 2023 and was appointed to the board in February 2018.

Howard worked for 23 years at JP Morgan Asset Management where he was the Chief Investment Officer and Head of Global Equities. He has more than 40 years of industry experience. As Chair of the SUTL board, Howard holds the regulatory responsibility for SUTL carrying out the Assessment of Value.



Calum Thomson
Independent Non-Executive Director

Independent non-executive director of SUTL and was appointed to the board in July 2017.

Calum is a former Senior Audit Partner at Deloitte LLP and currently holds a number of non-executive directorships within the investment industry. He has more than 25 years of industry experience.



As Chair of the SUTL board, I hold the regulatory responsibility for SUTL complying with its obligation as Authorised Fund Manager (AFM) including carrying out the Assessment of Value, recruiting independent directors and acting in the best interests of investors.

Howard Williams,
Independent Non-Executive Director

*The Board of Directors reflects current composition as at publication.

Introduction

Throughout this report, the Schroder Unit Trusts Limited (SUTL) board, will be referred to as 'we'.

Who is the report designed for?

This annual Assessment of Value report is aimed at individuals who invest in our UK domiciled fund ranges or their advisers. It outlines each fund's assessment and concludes on whether we believe that we have demonstrated value.

There are 85 funds reviewed, 4 of which are internal funds used as implementation vehicles by Schroders Multi-Asset investment team and one is a single client fund. Please note the internal and single client funds are not covered individually in this report.

How should you use the report?

We recommend that you take time to read the 'Seven areas' section to understand how we have made our assessment, which has been conducted using data as at 31 December 2023.

Our conclusions for each fund are set out separately in each individual fund's report.

The report complements other fund documentation such as the Prospectus, Factsheet and the Key Investor Information Document (KIID), and should be read alongside them.

The document is interactive; please use the Contents page to navigate your way around it.

We have included a glossary at the back of the document to define the technical terms which some investors may not be familiar with.

Where we write 'share class' in the report, it is to be understood as meaning unit/share class as applicable to the relevant fund.





What will the report tell you?

The FCA has asked us to look at seven specific areas when assessing the value we deliver to our investors:

- 1 Performance** – has the fund performed in line with expectations?
- 2 Quality of service** – are we meeting expectations on the service we deliver?
- 3 Authorised fund manager costs** – are the fees charged to the fund reasonable and appropriate?
- 4 Comparable market rates** – how do our fees compare against competitors?
- 5 Economies of scale** – do our funds benefit from cost savings as they grow?
- 6 Comparable services** – how do the fees we charge your fund compare with what we charge clients for similar products?
- 7 Classes of shares or units** – are you in the most appropriate type of share or unit?

Please follow the [link here](#) to find the detail of the regulation in COLL 6.6.21.

What do the icons used throughout the report represent?

-  Where an area has this icon, we believe that the fund is demonstrating value in that area.
-  Where an area has this icon, we have concluded after further qualitative review that the fund is demonstrating value in that area.
-  Where an area has this icon, we recognise that the fund is not demonstrating value in that area consistently. We have completed a further review and shared the outcomes with you.
-  Where an area has this icon, we recognise that there is insufficient data available to appropriately assess that area.

What should you do if you have any questions?

You can contact us at schrodersinvestor@HSBC.com if you have any further questions.

Institutional and Corporate Clients may also contact schrodersinstitutional@HSBC.com.

If you have an adviser you may wish to discuss your questions with them directly.

1. Performance

Has the fund performed in line with expectations?

We think clients can reasonably expect funds to meet their investment objectives, albeit with the knowledge that they are not guaranteed. We consider the performance of our funds after the fees have been deducted.

Our methodology

You will find the investment objective of a fund in its Prospectus, Key Investor Information Document (KIID) and Factsheet (if available). These clearly describe the aim of the fund and the investment strategy used to achieve this goal.

We assess the returns of each share class (or unit class, see [glossary](#)) over the performance period to give us an indication of how well a fund is meeting its investment objective. The performance period is the length of time over which we expect the fund to deliver its investment objective.

If we state a time range, then for the purposes of this report we look at the upper end of the range. For example, if the range is three-to-five years, we assess the delivery of the investment objective over five years. If a fund has not yet reached the upper end of its performance period, we review the existing track record to determine if it is delivering value.

Where a fund has launched during the year, we believe there is insufficient data to provide investors with a useful assessment of the fund's past performance.

We also look at how the fund has performed against its peers, both within the Investment Association (IA) sector and against a customised peer group provided by an independent third party, Broadridge (see the comparable market rates section on page 9 for more information).

Broadridge is a global consultant to the financial services industry. This is the fifth year we are working with Broadridge on the Assessment of Value.

We acknowledge that sometimes funds will underperform their investment objective given their particular investment style. We consider a number of measures over the performance period to make a judgement on whether or not the investment objective is being met, including specific sustainability, income or volatility objectives where applicable.

As part of our continuous reviews, we hold Asset Class Risk and Performance Committees every quarter which evaluate the performance of our funds against the expectations set (see the Assessment of Value report lifecycle section on page 13 for more information on our governance process).

Our conclusion

Of the 85 funds in scope, we have determined that 4 have insufficient data to provide investors with a useful assessment of the funds' performance. Of the remaining 81 funds, our initial review of all share classes identified that 38 are demonstrating value in the performance area. After further qualitative analysis on the remaining 43 funds, we concluded that, in total, 73 out of the 81 funds, are demonstrating value.

More information on fund-level performance is captured within the individual fund pages of this report.

Next steps

Where any share class of a fund has underperformed its investment objective we have provided a detailed performance commentary and outlined the remedial actions we are taking where we believe appropriate. For these funds there has been particular scrutiny placed via each stage of our governance lifecycle.



In 2023, market participants were surprised by the resilience of the US economy in the face of higher interest rates, which led to strong performance from equities, albeit the rally was very concentrated in the “Magnificent 7” stocks in the US. Government bond markets were more volatile as expectations of rate cuts in 2023 proved to be premature, although signs of falling inflation at the end of the year allowed bond prices to recover.

Johanna Kyrklund,

Co-Head of Investment and Group CIO

2. Quality of service

Are we meeting expectations on the service we deliver?

Several elements contribute to the service we offer investors in our funds, in particular, fund operations, investment process and the overall client experience. We have reviewed both the quality of service we directly provide and the quality of service provided by any third party we have delegated services to.

Our methodology

We assess whether we are delivering value for investors against each of the three elements – fund operations, investment process and client experience.

- Our fund operations team aims to ensure that we execute all operations of the fund efficiently and accurately. We assess whether key aspects of fund operations have met or exceeded the rigorous internal and external standards that we have set for them. For example, we look at whether investors are able to make informed decisions based on accurate and timely financial reporting and distributions, whether our complaints resolution handling process is effective, and how risk controls and events are managed. These standards, known as Key Performance Indicators (KPIs), enable us to provide accurate and timely financial reporting to both our clients and the regulators.
- The strength of our investment process for each fund is validated through a number of governance processes and forums. We also review our governance around liquidity and risk management so that the policies and procedures we have in place are robust and fit for purpose.

- Communications and client service form an important part of our clients' experience, and we evaluate these to ensure they are relevant, current and tailored to clients' needs. We want our clients to be clear about the funds they are investing in and the associated risks. The client experience that we provide is evaluated internally, using internal and external metrics provided from third parties. This provides us with a holistic view of the client experience.

In light of the FCA Consumer Duty regulation, we have carried out consumer testing on a representative range of retail facing materials. We have also updated our marketing procedures to ensure that all our communications and marketing materials continue to be of value to clients in helping them to achieve good outcomes. Further to this, we have enhanced our SUTL UCITS Authorised Unit Trust prospectus and we are in the process of enhancing our other retail prospectuses to aid investor understanding.

Our conclusion

Our initial review identified that out of the 85 funds, 83 are demonstrating value in the quality of service area. After further qualitative analysis on the remaining 2 funds, we concluded that all 85 funds are demonstrating value.

More information on fund-level quality of service is captured within the individual fund pages of this report.

We will continue to closely monitor the range of Management Information (MI) we collate so we can provide the best quality of service to our clients. In particular, we believe it is important to have strong liquidity oversight, risk management and operational resilience controls in place.



We continue to review our consumer facing communications as part of ongoing testing in line with the requirements of the Consumer Duty and make enhancements where appropriate.

Keith Evins,
Head of UK Marketing



3. Authorised fund manager costs

Are the fees charged to the fund reasonable and appropriate?

We review every cost component of the Schrodgers Annual Charge (SAC) at a share class level.

Our methodology

In March 2021, we moved to an “all-in fee” charging structure which we believe is simpler, more transparent and easier to understand. This is called the Schrodgers Annual Charge (SAC) and is the main component of the Ongoing Charge Figure (OCF). The OCF is disclosed in the Key Investor Information Document (KIID) for the fund and represents the total charges you pay to invest in the fund. We periodically assess the effectiveness of the charging structure as part of our annual review process. As outlined in the table, this review covers all services which now form part of the SAC. Previously these services, such as administration, trustee, custody, audit, and professional services were charged separately to funds.

We undertake a detailed assessment of the costs that we incur in providing the services associated with the SAC to funds and to their associated share classes. We compare these costs against what we charge investors. This is to ensure that the SAC is appropriate while at the same time allowing us to:

- Retain a well-capitalised business
- Continue to operate during stress scenarios
- Continue to innovate and develop new products

We do not include transaction costs in our assessment as these are not comparable between peers. This is due to a lack of consistent methodology for estimating overall transaction costs across firms. It is also due to the fact that the overall transaction costs reflect circumstances that are unique to each fund, such as the securities and volume traded, the market conditions while trading, and the amount of fund inflows and outflows.

Where funds have third party manager costs, we seek value by negotiating the fees through our procurement framework with regular monitoring to ensure that these continue to be reasonable and appropriate.

Fee breakdown

	Scale discount
	SAC (Schrodgers Annual Charge)
Charges outside SAC	Extraordinary fees
	Third party fund manager costs
	Transaction costs
Total fee paid by investor	OCF*

Our conclusion

After our assessment of all share classes, we have concluded that all 85 funds are demonstrating value in the authorised fund manager costs area. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

We continuously review our costs and fee structures to ensure they are appropriate.

For funds that use third party fund managers, these costs will continue to be disclosed separately outside of the SAC. This is to provide transparency of third party fund manager costs, given that they can vary. For funds which have scale discounts applied, the SAC will be adjusted on a monthly basis (see the economies of scale section on page 10 for more information).



We undertake a rigorous assessment to support the Board's decision-making process in the Assessment of Value and ensure that appropriate actions are taken when necessary.

Richard Oldfield,
Chief Financial Officer

*For Schrodgers Capital UK Real Estate Fund and Schrodgers Capital UK Real Estate Fund Feeder Trust, the assessment is based on the total expense ratio (TER).

4. Comparable market rates

How do our fees compare against our competitors?

We assess the amount we charge at a share class level by comparing the price of our funds against the price of similar funds offered by our external peers in the relevant Investment Association (IA) Sector, and against the customised peer group provided by Broadridge where applicable.

Our methodology

The Investment Association (IA) is a trade body that represents investment managers and asset management firms in the UK. The IA divides large numbers of funds into smaller groups to aid comparisons between funds in one or more sectors.

We use an independent third party, Broadridge, to compare the charges of our funds against the relevant IA sector (where applicable) and share class type. Broadridge categorises share classes into one of three types:

- 1 Retail share classes with no intermediary commissions.
- 2 Share classes with bundled charges paying commission to intermediaries.
- 3 Share classes which are for institutional investors or have limited investment opportunities for retail investors, to provide a like for like comparison.

As the investment approach of funds in an IA sector can vary, we also assess each fund against a customised peer group (where applicable). The funds in the customised peer groups are proposed by Broadridge on the basis that they are more directly comparable than other funds in the IA Sector.

In addition, our Product Strategy team undertakes an internal assessment of charges which is based on our pricing framework and with a view to ensuring that our pricing is fair. This analysis is conducted across all share classes and includes comparison vis-à-vis peers and our pricing framework. Targeted fee reductions are then proposed as appropriate.

We have added a visual in the individual fund pages to show how your fund is priced compared to its peers. Low signifies the fund's clean fee share classes are priced cheaper than the majority of its peers and high indicates the clean fee share classes are priced higher than the majority of its peers.

Where a fund is bespoke in nature, it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against. We have noted this in the individual fund pages.

Our conclusion

Our initial review identified that 37 funds out of the 85 funds are demonstrating value in the comparable services area. After further qualitative analysis on the remaining 48 funds, we concluded that 21 funds have insufficient data to provide investors with a useful assessment of the funds' charges and the remaining 27 funds are demonstrating value.

Next steps

We will continue to review our fees against our competitors on an ongoing basis with a view to ensure that we deliver a compelling value proposition to investors.



The FCA released a second review of the Assessment of Value process in August 2023. In that report they continued to highlight the importance of a robust process related to fee evaluation. Understanding where your products are from a pricing perspective compared to an ever changing market is key to ensuring that good value on the pricing front is being provided to investors.

Devin McCune,

Regulatory & Compliance Vice President Governance, Broadridge



5. Economies of scale

Do funds enjoy cost savings as they grow?

A fund can generate economies of scale as it grows. This is because we are able to manage and operate larger funds more efficiently. We have considered whether a fund achieves economies of scale and whether it is appropriate to share these savings with investors.

Our methodology

We generate economies of scale at both fund and group level. A fund can generate economies of scale because we are able to manage and operate larger funds more efficiently, meaning that our costs of managing the fund decrease as the size of the fund grows. The size of our Schroders group and global presence is a further benefit as it enables negotiating power, resulting in lower prices.

We have completed this assessment at fund level so we can assess whether there are potential economies of scale in each fund and whether or not these have been achieved in practice. Where economies of scale have been achieved, we then consider whether that benefit is being reflected in lower charges for you as investors in retail share classes. Every fund can, in theory, benefit from economies of scale but whether or not your fund does will depend on the overall fund size.

We have determined that funds generally generate meaningful economies of scale when they grow to £1 billion in size, although this can vary depending on the type of investments that we manage for you.

In December 2020, we implemented scale discounts in retail share classes for every fund that is larger than £1 billion. We use a tiered system to offer this saving; as the AUM of the fund increases so does the saving. The combined size of the discount will vary depending on the AUM of our funds; for example, where the AUM of a fund has dropped below £1 billion the discount will no longer apply, and where the AUM of a fund has fallen but remains above £1 billion, the saving will reduce in line.

Scale discounts only apply to retail share classes (A, Z, L, C, P1, P2). Non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount is not applied.

Our conclusion

After our assessment, we have concluded that all 85 funds are demonstrating value in the economies of scale area.

During 2023 we passed on discounts reflecting economies of scales across 9 funds*, representing aggregate savings to investors of £1.1 million.

We will continue to review the economies of scale that each fund produces on an ongoing basis to enable us to deliver a compelling value proposition to investors. When a fund reaches the required level, scale discounts are applied automatically to each fund's retail share or unit classes.



The implementation of scale discounts has reduced the cost of our products for retail investors in aggregate by approximately £4.8 million as at 31 December 2023.

Ravi Lamba,
Head of Group Financial Control

*7 funds have AUM greater than £1bn as at 31/12/2023. 2 other funds have AUM greater than £1bn for part of 2023 with the scale discounts being applied appropriately.

6. Comparable services

How do the fees we charge on your fund compare with what we charge clients for similar products?

We have compared each charge internally to assess whether it is possible to receive the same service for a lower charge in another Schroders fund or mandate of comparable size with a similar investment objective and policy. Comparable services is an internally focused assessment against Schroders' funds and/or segregated mandates, whereas comparable market rates is an externally focused assessment against external competitor and/or peer funds (see the comparable market rates section on page 9 for more information).

Our methodology

We manage money for clients all over the world, including individuals, charities, pension schemes and large institutions. In particular instances, some of that money is managed in similar strategies to that of your fund.

We recognise that clients have different needs and require different services. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates.

The charges also reflect the length of time for which investors typically invest in a product and the economies of scale inherent given the scale of a fund or mandate.

Where a fund is bespoke in nature, there is no internal service offered which can act as a direct comparison and we have noted this in the individual fund pages.

Our conclusion

Our initial review identified that 44 funds out of the 85 funds are demonstrating value in the comparable services area. After further qualitative analysis on the remaining 41 funds, we concluded that 21 funds have insufficient data to provide investors with a useful assessment of the funds' charges and the remaining 20 funds are demonstrating value.

Next steps

We will continue to review the charges against comparable services for each fund on an ongoing basis to ensure that we deliver a compelling value proposition to our clients. Where appropriate, we will make changes in the best interest of investors.



We remain committed to continuously testing the strength and validity of our pricing framework, taking a client-centric approach. By comparing our funds and strategies against similar ones, we gain valuable insights into whether our products provide value in terms of fees. This approach helps us align ourselves more closely with the perspectives and expectations of our clients.

Tom Darnowski,

Global Head of Product Strategy

7. Classes of shares or units

Are you in the most appropriate type of share or unit?

For some of our funds, we issue different types of shares (or units if your fund is a unit trust) which depend upon the features and services we offer. These are called ‘share classes’ or ‘unit classes’ and can differ for various reasons. For example, you could hold a share class that was set up specifically so that you could buy it through an adviser.

Our methodology

Our aim is that you are invested in the share class that offers the best price for you, given how you are investing and the features you are looking for.

Where there are different classes of shares in your fund, we compare the value we deliver across these.

We review the charges across all share classes in your fund. We look at all the share classes that serve broadly the same purpose and compare those charges.

Our conclusion

Our review of all share classes identified that all 85 funds are demonstrating value in the classes of shares or units offered to investors.

Last year we converted 2,200 clients to ‘clean fee’ share classes comprising of A to Z conversions and eligible P1 to P2 conversions (see classes of shares or units table for more information).

These conversions equate to £45.9 million AUM across the in-scope funds in the report and have saved investors £168,000 per annum in total.

We continue to conduct a semi-annual automatic conversion for investors that have had their adviser removed. This conversion is carried out every May and November.

We will continue to monitor and review our share classes throughout the year and convert investors to cheaper share classes where appropriate.

Share Class Table

Having multiple share classes means we can apply the appropriate charging rates for different types of client, for example, institutional or retail clients. All our mainstream share classes are shown in the table. Each share class in a fund may have a different charge, minimum investment levels or other restrictions or features.

Share class	Who is it for?	Explanation of charges
Retail share classes		
Z ¹	The main share class for retail investors.	‘Clean fee’ share class.
A ²	A retail share class for some advised investors.	Substantially similar rights to the Z share class for clients with an adviser. Where the client is not receiving advice they have now been converted to the Z share class.
C	A legacy retail share class created for Cazenove Capital investors.	Substantially similar rights to the Z share class.
Institutional share classes		
I	The main share class for institutional investors.	‘Clean fee’ share class.



Automated conversions continue to be carried out on a semi-annual basis, so that investors are in the most appropriate share class available to them.

James Rainbow,
Head of UK, Client Group

¹ The P2 class is equivalent to the Z class.
² The P1 class is equivalent to the A class.

The Assessment of Value report lifecycle

On this page we share the key governance steps taken to produce our Assessment of Value report. Additionally, we describe our rigorous fund governance and oversight model; although the Assessment of Value is an annual process, we review the value we deliver to our investors throughout the year.

1. Governance inputs

We use an independent third party, Broadridge, to provide data on performance and charges, and to construct customised fund peer groups. Additionally, multiple internal teams - including Finance, Fund Operations, Client Group, Investment, Compliance, Legal, Risk and Marketing - provide input to the assessment process.

2. Risk and Performance Committees

The risk and performance of each fund is reviewed every quarter at a formal Committee. Performance is also reviewed twice a year by the SUTL board, with enhanced ongoing monitoring of underperforming funds.

3. Product Governance Committee (PGC)

The Product Governance Committee consider each of the seven areas for every fund and share class, and subsequently determine the recommended assessment outcome for the SUTL Board. This process draws on the experience of key stakeholders from across the business. The Product Governance Committee also conduct further reviews of underperforming funds as do Risk and Performance Committees.



5. Publish report

The Product Governance team are responsible for drafting the Assessment of Value report which is published on our website and made available on request for clients and investors. We publish this report for our core Asset Management funds in April every year and for our Wealth Management funds in October every year.

4. SUTL Board

Each step of the Assessment of Value methodology is comprehensively reviewed and agreed by the SUTL Board. Their role includes reviewing, challenging and validating each individual recommended fund assessment outcome approved by the Product Governance Committee. These outcomes and proposed remedial actions are presented to the SUTL Board by the Product Governance team.



A key part of our role as independent non-executive directors is to bring an external perspective to support our executive directors, by providing independent oversight and engaging in constructive discussions which challenge the delivery of value. Acting in the best interests of investors is something to be reassessed continuously throughout the year.

Calum Thomson and Howard Williams,
Independent Non-Executive Directors



How to read your fund page

To assist you in finding your way around the individual fund pages we have created the following guide to highlight the key areas.

Overall conclusion

Our conclusions on each fund are set out separately in each individual fund's report. Each area is considered separately for every fund and is given equal weighting. This contributes to an overall assessment as to whether or not we believe that we have delivered value to our investors. This incorporates both qualitative information as well as quantitative data.

Performance data

Here you can find the fund's performance data, typically a factsheet or Key Investor Information Document (KIID), up to the reference date of 31 December 2023 or earlier. To get the latest performance data, please visit the Schroders' Fund Centre and refer to the Documents section for your fund.

Actions

Where this report identifies that certain funds are not demonstrating value consistently, we have completed a further review and shared the remedial actions that we have taken, or plan to take, to address the issues we have identified.

The seven areas

We have explained our analysis for each of the seven assessment criteria in these sections.

Assessment period

Our assessment is carried out using data as at 31 December 2023.

Your fund reports

You should review the reports for each fund that you are invested in and decide whether you feel the product is still suitable for your needs and delivering what you expected from it.

Navigation

You can click the contents icon at the top right of each page to return back to the contents page.

This fund was restructured in January 2023 and renamed from Schroder Small Cap Discovery Fund to Schroder Asian Discovery Fund. Please refer to the fund's factsheet [here](#) for performance data as at 31 December 2023.

Schroder Asian Discovery Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI All Countries Asia Ex Japan Small Mid Cap (Net Total Return)
Chain linked: a blend of the MSCI Small Cap indices (Emerging Markets, Hong Kong, Singapore) until 31/12/22

1. Performance

Performance Commentary: In the relevant five-year period, the fund has underperformed its target benchmark. If we break down the period into calendar years, the fund has outperformed in four of the calendar years but underperformed in 2022 when the fund underperformed the target benchmark by -7.9%. This has driven the overall five-year performance.

Focusing on 2022, the two most significant detractors, accounting for around three-quarters of the underperformance, have been Taiwan and Russia. Our Russian holdings were revalued at zero following Russia's invasion of Ukraine. It is worth noting over the six months before Russia's invasion we had reduced or risk managed the largest of our Russian positions - which had performed very strongly - and were always mindful of managing our aggregate Russian exposure due to the political risk inherent to the market. The other significant detractor has been Taiwan. Our exposure to more growth-orientated areas of the Taiwan market, such as information technology and consumer discretionary, hurt relative performance. We remain comfortable with our holdings in both sectors from a longer-term perspective.

More broadly in terms of markets and style in 2022, we have seen value outperform growth in emerging market small caps by approximately 12%. This was unfavourable to the fund, which has a bias to growth equities (companies that investors are willing to pay a premium for on the basis of their future growth prospects), rather than value equities (companies that are believed to be trading at a discount to their true value). Against the fund's broader benchmark (which incorporates both growth and value investment styles), this was a headwind for the fund.

Remedial Action: We do not believe any fundamental changes in process/strategy are necessary. The fund has outperformed its target benchmark since inception and given the unique and unconstrained nature of the fund, we expected performance to vary quite widely against the index. We transitioned the fund in January 2023 to have an increased focus on Asia ex Japan and a focus on small to mid-cap companies rather than just small-cap. The fund's target benchmark was also changed to MSCI AC Asia ex Japan Small Mid Cap and the fund was renamed Schroder Asian Discovery Fund. There is no change to the type of stocks that the managers are seeking and the process remains broadly the same, but we believe this improves the fund offering to clients with an increased focus on Asia, where we have strong investment analyst resource.

We have confidence in the fund's investment strategy going forward and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates
Ongoing Charges Figure: 1.00%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services

Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

21 The assessment has been completed using data as at 31/12/2023. Key: ○○○ Demonstrating value ○○○ Completed a further review, demonstrating value ○○○ Completed a further review, not demonstrating value consistently ○○○ Insufficient data available to appropriately assess the area

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Schroder AAA Flexible ABS Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank Of America Sterling 3-Month Government Bill Index plus 1%

1. Performance



As the fund was launched in 2023, there is insufficient data to provide investors with a useful assessment of the fund's past performance.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

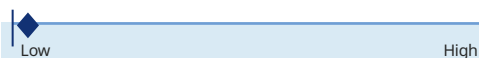


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.22%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder All Maturities Corporate Bond Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank Of America Merrill Lynch Sterling Non-Gilts

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.56%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Alternative Portfolio

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3-Month Government Bill Index plus 2%

1. Performance



As the fund was launched in 2023, there is insufficient data to provide investors with a useful assessment of the fund's past performance.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 1.00%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder Asian Alpha Plus Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI All Countries Asia Ex Japan Net Total Return GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

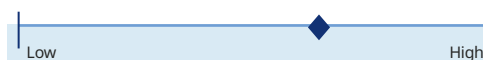


The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. A discount has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.96%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Asian Discovery Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI All Countries Asia Ex Japan Small Mid Cap (Net Total Return)
Chain linked: a blend of the MSCI Small Cap indices (Emerging Markets, Hong Kong, Singapore) until 31/12/22

1. Performance

Performance Commentary: In the relevant five-year period, the fund has underperformed its target benchmark. If we break down the period into calendar years, the fund has outperformed in four of the calendar years but underperformed in 2022 when the fund underperformed the target benchmark by -7.9%. This has driven the overall five year performance.

Focusing on 2022, the two most significant detractors, accounting for around three-quarters of the underperformance, have been Taiwan and Russia. Our Russian holdings were revalued at zero following Russia's invasion of Ukraine. It is worth noting over the six months before Russia's invasion we had reduced or risk managed the largest of our Russian positions - which had performed very strongly - and were always mindful of managing our aggregate Russian exposure due to the political risk inherent to the market. The other significant detractor has been Taiwan. Our exposure to more growth-orientated areas of the Taiwan market, such as information technology and consumer discretionary, hurt relative performance. We remain comfortable with our holdings in both sectors from a longer-term perspective.

More broadly in terms of markets and style in 2022, we have seen value outperform growth in emerging market small caps by approximately 12%. This was unfavourable to the fund, which has a bias to growth

equities (companies that investors are willing to pay a premium for on the basis of their future growth prospects), rather than value equities (companies that are believed to be trading at a discount to their true value). Against the fund's broader benchmark (which incorporates both growth and value investment styles), this was a headwind for the fund.

Remedial Action: We do not believe any fundamental changes in process/strategy are necessary. The fund has outperformed its target benchmark since inception and given the unique and unconstrained nature of the fund, we expected performance to vary quite widely against the index. We transitioned the fund in January 2023 to have an increased focus on Asia ex Japan and a focus on small to mid-cap companies rather than just small-cap. The fund's target benchmark was also changed to MSCI AC Asia ex Japan Small Mid Cap and the fund was renamed Schroder Asian Discovery Fund. There is no change to the type of stocks that the managers are seeking and the process remains broadly the same, but we believe this improves the fund offering to clients with an increased focus on Asia, where we have strong investment analyst resource.

We have confidence in the fund's investment strategy going forward and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 1.00%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services

Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

Schroder Asian Income Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI All Countries Asia Ex Japan Net Total Return GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.91%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. A discount has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

Schroder Asian Income Maximiser

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: 7% income per year

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.91%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Blended Portfolio 3

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 0-35% Shares

1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time. However, we have undertaken an early assessment with the existing track record and believe the fund is delivering value in this area.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.53%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Blended Portfolio 4

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 20-60% Shares

1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time. However, we have undertaken an early assessment with the existing track record and believe the fund is delivering value in this area.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

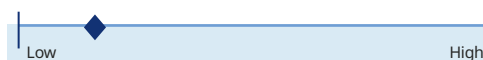


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.59%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Blended Portfolio 5

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 20-60% Shares

1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time. However, we have undertaken an early assessment with the existing track record and believe the fund is delivering value in this area.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.61%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Blended Portfolio 6

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 40-85% Shares

1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time. However, we have undertaken an early assessment with the existing track record and believe the fund is delivering value in this area.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

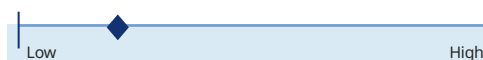


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.64%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Blended Portfolio 7

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 40-85% Shares

1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time. However, we have undertaken an early assessment with the existing track record and believe the fund is delivering value in this area.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.65%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Blended Portfolio 8

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Flexible Investment

1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time. However, we have undertaken an early assessment with the existing track record and believe the fund is delivering value in this area.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

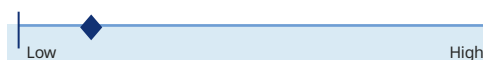


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.65%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Digital Infrastructure Fund

Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: All Country World Index Net Total Return
Chain linked: FTSE European Public Real Estate Association National Association of Real Estate Investment Trusts Developed Dividend Plus Index returns until 07/02/2022

1. Performance

Performance Commentary: The Fund was restructured in February 2022, having previously been the Global Cities Real Estate Income Fund. The performance of the Global Cities Real Estate Income fund had been challenging on account of the underperformance of higher yielding real estate securities.

The investment team believed, and continue to believe, that the digital infrastructure investment theme should deliver good long-term returns given the strong supply-demand dynamics for digital infrastructure assets. After a strong performance from 2019-2022, the market value attributed to the future cash flows of the digital infrastructure sector sharply decreased in 2022. This led to a decline in company valuations, even as earnings continued to increase. This was caused by increases in interest rates in response to central banks' attempts to control inflation, putting pressure on real asset portfolios with long duration cash flows. As a result, the fund has significantly underperformed its MSCI ACWI comparator which itself was driven to new highs by the 'Magnificent Seven' (seven high-performing large cap stocks considered to be leaders in their industries). These performance dynamics both before and after the restructuring mean that the five-year performance in aggregate has therefore been disappointing.

In 2023, the fund produced a positive absolute return, but continued to underperform its comparator benchmark as inflation proved persistent, pushing back expectations for rate cuts.

Remedial Action: The investment team continue to have confidence in the investment theme, believing that the fund can deliver good long-term returns given the strong supply-demand dynamics for digital infrastructure assets. The long-term sector drivers remain intact, with ongoing demand stemming from AI, cloud computing, gaming, and streaming, leading to an increased demand for digital real assets.

The fund's two-year track record since the restructuring, starting just before a rapid and significant monetary tightening cycle, does not reflect the robust underlying performance of the stocks held within the fund. These companies have continued to show high earnings growth and dividend yields but have been weighed down by compressing multiples.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.97%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder Diversified Growth Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3-Month Government Bill Index plus 4.5%

1. Performance

Performance Commentary: The fund aims to deliver a return of 4.5% per annum above the ICE BofA Sterling 3-Month Government Bill Index (as a measure of cash). Prior to 1 April 2022, the fund's return target was 5% per annum above the Consumer Price Index (as a measure of inflation). Past performance of the fund has been measured against the return objective in effect at the time. The fund also aims to have an average annual volatility of less than 67% of that of the global stock market (represented by the MSCI All Country World GBP hedged Index) over a five to seven year period.

During the first half of 2020 and 2022, global stock markets suffered significant declines, which affected our ability to deliver the fund's objectives. Having outperformed its benchmark in both 2019 and 2020, the fund underperformed against its benchmark in 2021 due to the sharp increase in the Consumer Price Index over the course of 2021.

2022 saw broad declines across most markets and, despite offering downside protection from the worst of the market falls, the fund's negative performance meant that performance over the seven year investment period was also negative. In the first half of 2023, the fund was positioned defensively for an economic slowdown which did not materialise as expected. As a result, the fund did not capture much upside as markets rallied. Second-half performance in 2023 was better however, for the year as a whole,

performance was behind target. The fund has met its volatility objective over the full period.

Remedial Action: While we believe that our investment philosophy still captures how markets behave, we also recognise that we should always try to improve our investment process, and in particular incorporate any lessons learned from periods of underperformance. During 2023, this included re-calibration of economic models and the weighting applied to them in asset allocation decisions.

We have made a number of enhancements to our process in recent years, while still adhering to our core philosophy. Following a review of the investment objective and forecast market conditions, we changed the return objective in 2022 to better reflect the achievable return outcomes. The original inflation plus 5% target was set when the fund was launched 16 years ago, based on market conditions at the time and expected returns from a diversified range of asset classes. However, expected returns from asset classes are now lower than they were, while inflation has risen sharply. The revised return objective better reflects these conditions.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. Every fund exceeding the threshold is eligible for a scale discount on its retail share classes, however this fund does not contain any retail share classes. Non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.59%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder European Alpha Plus Fund

Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE World Eur ex UK Total Return GBP

1. Performance

Performance Commentary: Portfolio performance in the period was disappointing, influenced by two factors. Firstly, stock selection was negative as certain holdings underperformed their respective sectors. Secondly, market-relative positioning was not helpful as Europe's largest companies have outperformed small and mid-caps, where we have a higher-than-benchmark (overweight) allocation.

The largest detractors to relative performance were primarily small and mid-sized companies. Key underperforming stocks included Worldline, Hellofresh, DoBank and Ubisoft. The detractors fall into three categories. Firstly, companies such as Hellofresh which have seen a reduction in share price due to a slowdown in expected growth relative to prior years. Secondly, securities which have suffered company-specific setbacks such as Ubisoft. The gaming company Ubisoft have a portfolio of leading titles such as Assassin's Creed, Avatar and Skull & Bones, but they have experienced product delays with some of their releases in recent years.

In addition, minority shareholders like ourselves did not benefit from a deal involving the majority shareholders and Chinese group Tencent, which valued the majority owners' stake at a material premium to the share price. The last category relates to securities which have suffered for temporary reasons, such as chemicals company Azelis. Recession fears in Europe have resulted in larger outflows than usual from European equities, which isn't helpful for smaller-sized company shares. In addition, the company has suffered from excess inventory levels which have delayed customer orders in the short term. The volatility observed across holdings such as Azelis is unwelcome, but they are performing well operationally and we believe that the issues are temporary.

Remedial Action: The future viability of the fund is under review and we are in the process of determining appropriate remedial actions for this fund. Further information on next steps will be communicated to unitholders in due course.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

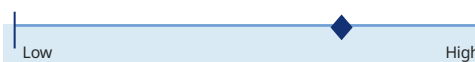
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.96%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder European Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE World Eur Ex UK Total Return GBP

1. Performance

Performance Commentary: In recent years, the outperformance of large cap companies versus small and mid caps has contributed to the relative underperformance of the fund. However, we acknowledge that negative stock selection has also been a contributor to underperformance over the five year period.

The largest detractors to relative performance were primarily small and mid sized companies. Holdings such as Ubisoft, Worldline, Fortum and Viaplay have struggled more than average within their respective sectors. For example, Viaplay is known for its specialist streaming service and it has expanded from its Nordic base to the Baltics, Poland, Netherlands and, most recently, the UK. However, the cost of living crisis has pressured discretionary spending and the company is not sustaining the necessary investment needed to succeed internationally.

The rationale for holding Siemens Energy was dependent on past issues with the wind turbine division being resolved, and we believed that group growth, profitability and cash flows would become more positive starting in 2024. Disappointingly, the management issued a profit warning in 2023 noting

that they found new vibration problems with their wind turbine installation components, which would require high remediation costs and significant time to address.

Remedial Action: Following a recent review of the investment process, the management team has focused on better assessing the capital structure, liquidity and quality of individual securities. This will aid portfolio construction, with the aim of ensuring riskier positions are sized appropriately.

The recent environment of higher-than-normal inflation and higher rates has contributed to this challenging period of relative performance for Europe ex UK equity active managers. Inflation has since receded, leading to the potential for interest rates to also recede. This should aid the attraction of equities and potentially benefit small and mid caps.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.92%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder European Recovery Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE World Eur Ex UK Total Return GBP

1. Performance

Performance Commentary: The fund is managed in a 'value' style. This means seeking out companies that we believe have been overlooked by the market and are trading at a significant discount to their true value. There is strong support from decades of data that investing in value shares delivers outperformance and avoids capital risk. However, in the past few years, compared with market indices increasingly dominated by growth or technology stocks, value style portfolios have underperformed.

The onset of the Covid-19 pandemic exacerbated this trend. For much of 2020, the market's focus was on short-term profitability alone, and it has not focused or distinguished between companies with differing balance sheet strengths. This has been difficult in terms of the short-term performance of the funds run by Schroders' Value Equity team.

The sell-off in March 2020 (due to investors' demand for liquidity caused by the Covid-19 pandemic) was particularly challenging for value-oriented portfolios. However, global equity markets have staged a strong recovery, and the value factor has performed much better recently. In the six months prior to 31 December 2023, value shares have again come under pressure, especially those further down the market-cap spectrum (with lower valuations that are at odds with their fundamentals). This has been a performance headwind for the portfolio, but we see no reason why this will not change over the longer-term, as history suggests is likely.

Remedial Action: We place significant emphasis on detailed valuation and accounting analysis, particularly balance sheet strength. Through fundamental research and by looking beyond the short-term market 'noise' and behavioural biases, we believe we can identify companies that trade at a substantial discount to their fair or intrinsic value. During this period of underperformance we have re-examined all of the positions in the fund, reviewed fund turnover and the consistency of our investment style. It is our firm belief that we hold a basket of companies with the most attractive risk/reward profiles currently available, and that those clients who choose to stay the course will be potentially well-rewarded for their patience. Performance over the past 24 months (as at 31 December 2023) has improved as the value investment style become more favoured. Within this, while the last six months prior to 31 December 2023 have been challenging, we have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

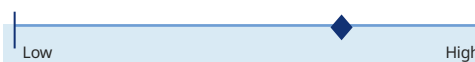
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.96%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder European Smaller Companies Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI Europe ex UK Small Cap (Net Return) Index

Chain linked: Euromoney Smaller Europe ex UK (Gross Total Return) Index until 31/07/23

1. Performance

Performance Commentary: Sector allocation was weighed on relative returns over the five year period. The fund's lower-than-benchmark (underweight) allocation to outperforming conventional energy exposures, as well as banks and insurance, has contributed to the underperformance. Value-style small cap portfolios have coped better in this environment, as they have typically had higher-than-benchmark (overweight) allocations to such sectors. The fund's portfolio typically focuses on quality and growth-style exposures instead.

There have also been stock-specific setbacks. Key underperforming stocks included Worldline, Hellofresh, DoBank, and Ubisoft. The detractors fall into three categories. Firstly, companies such as Hellofresh, which have been seen a reduction in share price due to a slowdown in expected growth. Secondly, securities which have suffered company-specific setbacks such as Ubisoft. The gaming company Ubisoft have a portfolio of leading titles such as Assassin's Creed, Avatar and Skull & Bones, but they have experienced product delays with some of their releases in recent years. In addition, minority shareholders like ourselves did not benefit from a

deal involving the majority shareholders and Chinese group Tencent, which valued the majority owners' stake at a material premium to the share price. The last category relates to securities which have suffered for temporary reasons, such as chemicals company Azelis. The company has suffered from excess inventory levels which have delayed customer orders in the short term. The volatility observed across holdings such as Azelis is unwelcome, but they are performing well operationally and we believe that the issues are temporary.

Remedial Action: Given that investments in smaller companies are higher on the risk spectrum, some temporary periods of underperformance are expected. We remain firmly of the view that the fund's core strategy of investing in companies with high quality business models in industry segments with long-term growth attributes will produce strong portfolio performance over longer term horizons.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

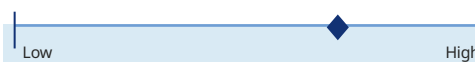
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.95%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder European Sustainable Equity Fund

Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE World Eur Ex UK Total Return GBP

1. Performance

Performance Commentary: Portfolio performance in the period was disappointing, influenced by two factors. Firstly, stock selection was negative as certain holdings underperformed their respective sectors. Secondly, market-relative positioning was not helpful as Europe's largest companies have outperformed small and mid-caps, where we have a higher-than-benchmark (overweight) allocation.

The largest detractors to relative performance were primarily small and mid-sized companies. Holdings such as Worldline, Siemens Energy and Viaplay have struggled more than average within their respective sectors. Each company has fallen short of expectations, and we have fully sold our holdings in the latter two. Viaplay is known for its specialist streaming service and it has expanded from its Nordic base to the Baltics, Poland, the Netherlands and, most recently, the UK. However, the cost of living crisis has pressured discretionary spending and the company is not sustaining the necessary investment needed to succeed internationally. The rationale for holding Siemens Energy was dependent on past issues with the wind turbine division being resolved, and we believed that group growth, profitability and cashflow would become more positive starting in

2024. Disappointingly, the management issued a profit warning in 2023 noting that they found new vibration problems with their wind turbine installation components, which would require high remediation costs and significant time to address.

The fund has met its sustainable investment objective since its introduction in December 2021.

Remedial Action: The recent environment of higher-than-normal inflation and high interest rates has contributed to this challenging period of relative performance for Europe ex UK equity active managers. Inflation has since receded, leading to the potential for interest rates to also recede. This should aid the attraction of equities and potentially benefit small and mid caps.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

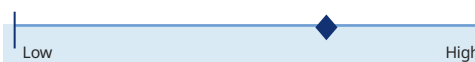
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.94%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder Flexible Retirement Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3 Month Government Bill Index plus 2%
Chain linked: UK Consumer Price Index plus 2% until 17/08/2020

1. Performance

Performance Commentary: The fund has two objectives: to deliver a return of 2% per annum above cash (represented by the ICE BofA Sterling 3-Month Government Bill index), and to avoid a loss of more than 8% over the relevant three to five year period. The fund has met its objective of avoiding a loss of more than 8%. To achieve this, however, the fund had to reduce its exposure on occasions to stock markets. This meant that it could not meet its performance objective over the five year period. As this is a conservative fund for investors who are willing to sacrifice some gains in order to avoid losses, we believe it would not be appropriate to risk losses in order to achieve greater gains.

Remedial Action: The fund met its loss-avoidance objective in 2023, but did not meet its return objective. We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. Notably the fund met both these objectives in Q4 2023.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 0.30%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder Gilt & Fixed Interest Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE Actuaries UK Conventional Gilts All Stocks Total Return GBP

1. Performance

Performance Commentary: The strategy's positioning in 2022, particularly the second quarter, was the main driver behind underperformance over the last three to five years, while Q2 2023 performance was also significant.

At key points in 2022, persistent inflation fears and a tightening of monetary conditions saw dramatic sales in bond markets. The fund had a higher than benchmark (overweight) sensitivity to interest rates (duration) for much of 2022, which in this environment led to material underperformance. In general the duration overweight reflected the team's consistent view on slowing global growth, but with the benefit of hindsight we were too early in implementing this position as markets instead focused on inflation and rising interest rate expectations. This type of challenging economic environment would typically be expected to provide support to high-quality bond investments, but the rapid rise in inflation meant that bond markets exhibited higher correlations with riskier assets instead, while a general increase in market volatility caused even modest duration positions to underperform substantially.

In Q2 2023, expectations that central banks were approaching a peak in interest rates were dampened by consistently resilient labour markets in the US and UK, and again the fund's modest long duration position generated a negative performance.

While recent performance has improved, so far it has been insufficient to mitigate these previous losses.

Remedial Action: In June 2023, the team took action to address the disappointing performance of the strategy since 2022, and ensure that they are equipped to make the best use of opportunities in fixed income to the benefit of clients. This action included restructuring the team under a new Head of Global Unconstrained Fixed Income; adding additional resources; and making a number of material changes to the investment process to incorporate: more dynamic asset allocation, particularly with respect to credit; increased flexibility to promptly reconsider investment views that are not performing well and modify positions that are underperforming; and enhanced risk management through greater use of quantitative models to help mitigate potential bias. We expect this evolution of team and process to lead to improved performance over time; relative performance has been positive over the six months following the implementation of these changes. Peer group-relative performance has also improved.

We have confidence in the fund's investment strategy and in our ability to deliver on the investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.35%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Global Cities Real Estate

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: UK Consumer Price Index plus 3% lagged by 1 month

1. Performance

Performance Commentary: The fund has outperformed its Investment Association and FTSE EPRA NAREIT comparator benchmarks over the five year period. However, it fell short of the inflation (as measured by UK Consumer Price Index) plus 3% target. We attribute this underperformance to a number of stock selection decisions during the period. The long-term lower-than-benchmark allocation (underweight) in the US Industrial REIT Prologis (which is the largest constituent of the investment universe) impacted relative performance, since it performed strongly over this period due to increased demand for ecommerce. Instone, the German developer, underperformed as construction costs soared, and the cost of financing increased materially, impacting the business. Public Storage, a US Self Storage REIT in which the fund has an underweight allocation, performed strongly over the time period as demand increased due to a rise in home transactions.

Remedial Action: We are mindful of the fund's underperformance relative to the inflation (as measured by UK Consumer Price Index) plus 3% target. We nonetheless believe that no action is required because the portfolio has demonstrated good performance against its EPRA NAREIT comparator benchmark over longer time periods (and in 2023) and we believe that the fund is underpinned by a strong, repeatable philosophy and process.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 0.90%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. A discount has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Global Diversified Income Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3-Month Government Bill Index plus 4.5%
Chain linked: UK CPI +4% until 31/03/2022

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

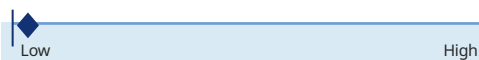


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.17%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Global Emerging Markets Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI Emerging Markets Index GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.98%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Global Energy Transition Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmarks: MSCI Global Alternative Energy Net Total Return and MSCI All Country World Index

1. Performance

Performance Commentary: The fund strongly outperformed the MSCI Global Alternative Energy Index but underperformed the MSCI All Country World Index. The last three years have been marked by a series of headwinds which adversely impacted the performance of the alternative energy sector. In particular, the sector was challenged by the continuation of three cyclical forces that put material pressure on valuations and short-term earnings. These were (1) the tightening of monetary and financial conditions globally, which put pressure on valuation metrics; (2) the consequences of this monetary and financial tightening with regards to underlying demand drivers and capital costs, which has put pressure on short-term company earnings; and (3) the prolonged impact of inflationary pressures and supply chain disruptions on company operations, which put pressure on short-term company earnings. The combination of these headwinds caused share price weakness as well as longer-term volatility.

As investors appeared to lose confidence in energy transition equities, all sub-sectors sold off simultaneously in 2023 as earnings expectations and valuations both meaningfully reset. The lower-than-benchmark (underweight) allocations to certain sectors within our investment universe also

weighed on performance relative to the ACWI. In particular given the thematic focus of the portfolio, the limited exposure to IT stocks which performed strongly amid investor enthusiasm for AI detracted from performance. The portfolio did not have any exposure to the large cap technology stocks such as Apple, Nvidia or Meta, which performed strongly in 2023. The 2022 surge in commodity prices was also especially supportive for the conventional energy sector as oil and gas companies were among the strongest performers during this period. As the fund maintains a zero-weight allocation to the conventional energy sector, this further added to the underperformance.

Remedial Action: The fund remains focused on staying balanced with regards to sub-sector positioning in 2024, focusing on companies across the universe with strong and undervalued future earnings potential, resilient balance sheets, and attractive valuations. We see the current moment as a time to build positions in the sector leaders to take advantage of their longer-term potential at an increasingly attractive price. We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.95%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder Global Equity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI World Net Total Return GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.60%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. A discount has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder Global Equity Income Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI World Net Total Return GBP

1. Performance

Performance Commentary: The fund is managed in a 'value' style. This means seeking out companies that we believe have been overlooked by the market and are trading at a significant discount to their true value. There is strong support from decades of data that investing in value shares delivers outperformance and avoids capital risk. However, in the past few years, compared with market indices increasingly dominated by bond-proxies or technology stocks, value style portfolios have underperformed. The onset of the Covid-19 pandemic exacerbated this trend.

The sell-off in March 2020 (due to investors' demand for liquidity caused by the Covid-19 pandemic) was particularly challenging for value-oriented portfolios. However, global equity markets have staged a strong recovery, and the value factor has performed much better recently. Over recent years we have taken advantage of valuations to increase diversification and our process has meant we have avoided the stocks that have fared the worst in market drawdowns. We are also being cautious as we lean into areas that we expect to benefit the portfolio greatly over the long term, even if that feels uncomfortable today.

Remedial Action: We have been able to increase the number of holdings significantly since 2020. The broad range of the stock market downturn meant that for the first time in a very long time, the breadth of compelling valuation opportunities was large on an absolute (rather than a relative) basis. During this period of underperformance we also re-examined all of the positions in the fund and reviewed the consistency of our style bias. It is our firm belief that we hold a basket of companies with the most attractive risk / reward profiles available to equity market investors today, and that those clients that choose to stay the course will be well-rewarded for their patience.

Performance recently has improved as the Value investment style become more favoured in the market when compared to the previous decade.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.95%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Global Healthcare Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: MSCI All Country World Index / Health Care Net Total Return
Chain linked: MSCI All Country World Health Care Daily (Gross Total Return) Index up to 01/07/2023

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.92%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder Global Multi-Asset Adventurous Portfolio

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 40-85% benchmarks Shares

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.20%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Global Multi-Asset Balanced Portfolio

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 20-60% benchmarks Shares

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.20%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Global Multi-Asset Cautious Portfolio

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 0-35% benchmarks Shares

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.20%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Global Multi-Asset Growth Portfolio

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 40-85% benchmarks Shares

1. Performance

Performance Commentary: The fund has dual objectives: a volatility target relative to global equities (represented by the MSCI ACWI), as well as a performance target relative to a mixed asset peer group (the IA Mixed Investment 40-85% sector). The fund has achieved its volatility objective, but over the five-year measured period the performance is marginally behind the peer group.

There were two key issues that impacted the fund's performance relative to the peer group, which were mainly relevant four to five years ago. The fund is ahead of the peer group over one and three year periods.

The first issue was that we only adopted the IA comparator benchmark in October 2019. Over the first two years after the introduction of the comparator, there was a process of aligning the internal Strategic Asset Allocation (SAA) against which the fund is managed, with the performance objectives of the comparator. The fund's SAA is now much more aligned with its peer group performance objectives.

The second factor relates to the underlying components in the fund. In the first two years, the fund's core global equity exposure was through a multi-factor equity fund. As a result, the fund was more exposed to the Value factor than was ideal and this contributed to some underperformance. In the first half of 2019, the exposure to that fund was halved, to reduce the exposure to Value stocks. In H2 2020, we invested in the Schroder Global Equity Fund, which has more of a Quality/growth bias, which has helped to balance out the factor exposures.

Remedial Action: A greater focus on alignment with the performance objectives of the comparator peer group sector, combined with changes made to the mix of the underlying equity components, has resulted in significant improvements in performance as can be seen in outperformance over the past one and three year periods.

We have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

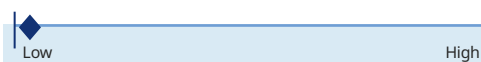
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.20%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Global Multi-Asset Moderately Cautious Portfolio

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 20-60% benchmarks Shares

1. Performance

Performance Commentary: During the period under review the fund met its return target but was marginally outside the target volatility range. 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, as was the case during the performance period in review.

Remedial Action: We do not believe any changes in approach are required, and we have confidence in the fund's investment strategy and in our ability to deliver its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 0.20%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Global Recovery Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI World Net Total Return GBP

1. Performance

Performance Commentary: The fund is managed in a 'value' style. This means seeking out companies that we believe have been overlooked by the market and are trading at a significant discount to their true value. There is strong support from decades of data that investing in value shares delivers outperformance and avoids capital risk. However, in the past few years, compared with market indices increasingly dominated by growth or technology stocks, value style portfolios have underperformed.

The onset of the Covid-19 pandemic exacerbated this trend. For much of 2020, the market's focus was on short-term profitability alone, and it has not focused or distinguished between companies with differing balance sheet strengths. This has been difficult in terms of the short-term performance of the funds run by Schroders' Value Equity team.

The sell-off in March 2020 (due to investors' demand for liquidity caused by the Covid-19 pandemic) was particularly challenging for value-oriented portfolios. However, global equity markets have staged a strong recovery, and the value factor has performed much better recently. Over recent years we have taken advantage of valuations to increase diversification and our process has meant we have avoided the stocks that have fared the worst in market drawdowns. We are also being cautious as we lean into areas that we expect to benefit the portfolio greatly over the long term, even if that feels uncomfortable today.

Remedial Action: We have been able to increase the number of holdings significantly since 2020. The broad range of the stock market downturn meant that for the first time in a very long time, the breadth of compelling valuation opportunities was large on an absolute (rather than a relative) basis. During this period of underperformance, we also re-examined all of the positions in the fund and reviewed the consistency of our style bias. It is our firm belief that we hold a basket of companies with the most attractive risk / reward profiles available to equity market investors today, and that those clients who choose to stay the course will be well-rewarded for their patience.

Performance recently has improved as the value investment style became more favoured in the market when compared to the previous decade.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.94%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Global Sustainable Food and Water Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: MSCI All Country World (Net Total Return) Index (GBP)

1. Performance



As the fund was launched in 2023, there is insufficient data to provide investors with a useful assessment of the fund's past performance.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.95%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information on the sustainability of this fund can be found [here](#).

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder Global Sustainable Growth Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI All Country World Index Net Total Return USD

1. Performance



The fund has not reached the lower end of its recommended performance period so we are unable to fully assess performance at this time. However, we have undertaken an early assessment with the existing track record and believe the fund is delivering value in this area.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.84%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder Global Sustainable Value Equity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI World Net Total Return GBP
Chain linked: FTSE Customised All-Share ex Ethically Screened (Gross Total Return) Index until 15/08/2021

1. Performance

Performance Commentary: The fund is managed in a 'value' style. This means seeking out companies that we believe have been overlooked by the market and are trading at a significant discount to their true value. There is strong support from decades of data that investing in value shares delivers outperformance and helps to protect capital. However, in the past few years, value style portfolios have underperformed those dominated by technology stocks or so-called 'bond proxies' (shares regarded as defensive, which show some of the characteristics of bonds such as a steady stream of income). The onset of the Covid-19 pandemic exacerbated this trend. For much of 2020, the market's focus was on short-term profitability alone, rather than on distinguishing between companies with differing balance sheet strength. This negatively impacted the short-term performance of the funds run by Schroders' Value Equity team.

Global equity markets have since staged a strong recovery, and while value shares lagged initially, they have significantly outperformed over the past 24 months.

Remedial Action: In August 2021, we changed the investment approach and geographical focus of the fund. Re-focusing from a UK to global universe significantly increases the opportunity set, which offers the possibility of superior returns, and enables clients to gain exposure to global leaders on sustainability matters.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

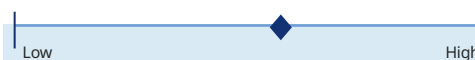
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.93%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder High Yield Opportunities Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Income and capital growth target of between 4.5% and 6.5% per year

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.72%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

Schroder Income Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE All Share Total Return GBP

1. Performance

Performance Commentary: The fund is managed in a 'value' style. This means seeking out companies that we believe have been overlooked by the market and are trading at a significant discount to their true value. There is strong support from decades of data that investing in value shares delivers outperformance and avoids capital risk. However, in the past few years, compared with market indices increasingly dominated by growth or technology stocks, value style portfolios have underperformed.

The onset of the Covid-19 pandemic exacerbated this trend. For much of 2020, the market's focus was on short-term profitability alone, and it has not focused or distinguished between companies with differing balance sheet strength. This has been difficult in terms of the short-term performance of the funds run by Schroders' Value Equity team.

The sell-off in March 2020 (due to investors' demand for liquidity caused by the Covid-19 pandemic) was particularly challenging for value-oriented portfolios. However, global equity markets have staged a strong recovery, and the value factor has performed much better recently. Over recent years we have taken advantage of valuations to

increase diversification and our process has meant we have avoided the stocks that have fared the worst in market drawdowns. We are also being cautious as we lean into areas that we expect to benefit the portfolio greatly over the long term, even if that feels uncomfortable today.

Remedial Action: Every company we are invested in has been stress-tested, and we believe that the stocks we select compensate for any risk by the potential increase in value (upside) on offer. During this period of underperformance we have continued to re-examine all of the positions in the fund, reviewed fund turnover and assessed the consistency of our style.

Performance recently has improved as the value investment style has become more favoured compared to the previous decade.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

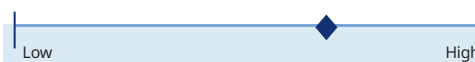
We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 0.89%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. A discount has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Income Maximiser Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: 7% income per year

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

1. Performance

4. Comparable market rates



Ongoing Charges Figure: 0.91%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Income Portfolio

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: 3-5% income per year

1. Performance

Performance Commentary: The fund has marginally missed its income target (3-5% per year) over the period. The income yield of the portfolio is comprised of dividends from the equity portion and coupons from the fixed income portion. Over the period, the contribution to income from the equity holdings has been in line with expectations. However, this has been negated by historically low yields in fixed income.

The US central bank began raising interest rates in March 2022 to combat rising inflation. This has led to increased yields in the fixed income allocation of the portfolio and we expect to see a greater contribution to income from this asset class going forward.

Remedial Action: We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. In our April 2023 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. These bonds currently offer higher interest payments which provide a steady return. Overall, our equity allocation favours higher-quality companies which often have stable earnings and can provide a buffer against economic downturns. We also believe that their ability to pay reliable dividends provides investors with an income stream which is particularly valuable in times of market volatility. Our ability to invest in alternative asset classes including hedge funds and insurance linked securities helps us to manage risk. Typically, in periods of heightened volatility and uncertainty, the defensive characteristics of these assets can provide a safety net when other asset classes drop in value.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.76%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder India Equity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI India Net Total Return USD

1. Performance

Performance Commentary: The underperformance is in large part attributable to the relative underperformance in 2022, with the underperformance in the first half of 2022 due to a shift in the market preference for value and cyclical companies. The rest of the performance detraction was stock specific.

The fund had nil exposure to the Adani group companies due to corporate governance concerns and this was one of the main drivers of underperformance for the fund. Performance of the IT consultancy industry also impacted share prices of some of the fund's holdings in this area, although overall the fund's exposure to the technology sector was net positive.

The rest of the underperformance was more stock-specific; given the fund's slightly concentrated portfolio, individual stocks may have more significant impact to performance than in a more diversified portfolio. Among the top individual detractors were healthcare names Gland Pharma and Devi Laboratories, which saw notable share price decline amid supply chain disruptions and input shortages during Covid, while weakness in biotech funding further depressed the near-term outlook for the

healthcare industry. Global supply chain disruptions and the resulting chip shortages also led to a sharp pullback in the share price of automotive parts manufacturer Sona BLW Precision. Info Edge was another name that impacted performance following a sharp decline in share price off the back of broader sell-off in technology stocks given investor concerns around softer IT spend from developed economies.

Remedial Action: We continue to see strong longer-term fundamentals in areas such as private sector banks and healthcare, and select consumer-related stocks where valuations remain reasonable in the context of domestic companies. In terms of positioning, the fund remains in favour of domestic-oriented companies, and we will be using periods of market weakness for entry opportunities in select areas of the domestic economy.

The fund continues to target reasonable risk-adjusted performance over market cycles, and is focused on quality companies that we believe have strong long-term earnings growth prospects.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.95%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Institutional Pacific Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI Pacific Ex Japan (Net Total Return) Index
Chain linked: MSCI Pacific ex Japan (Gross Total Return) Index until 01/07/2023

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.52%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder Institutional UK Smaller Companies Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE Small Cap Ex Invest Trust Total Return GBP

1. Performance

Performance Commentary: Material outflows in UK equities and more sellers of less liquid small cap shares than buyers in recent years have perhaps contributed to an unusually difficult environment for active small cap managers to outperform.

From a strategy perspective, funds which have a deep value style focus have performed modestly better than peers as financial institutions and conventional energy stocks have outperformed. However, this does not mean the portfolio has been immune to stock-specific setbacks. For example, defence equipment company Avon Group have been beset by issues, such as when its body armour product failed US regulatory tests. The management team have since been replaced. We have conviction that defence spending globally is on the rise and that the new management team are focused on rebuilding trust with key partners. This gives us renewed confidence in the security.

As a second example, before the pandemic, Studio Retail was trading strongly under new management and was growing customer numbers and profits. The pandemic led to problems with supply chains, which affected most companies who were importing goods. Studio Retail fully utilised their revolving credit facility, following which their bank announced they would not extend the facility further and gave the shareholders no opportunity to provide fresh equity, resulting in a loss of all outstanding capital in the security.

Remedial Action: Given the higher levels of individual security risk and lower liquidity associated with small cap companies, we are careful to ensure that the capital of the fund is well diversified.

While this remains a difficult period for small cap managers, we are unwavering in our focus to deliver long term returns for clients as we have done over the 30+ year lifecycle of this product. We believe the small cap environment in the UK can benefit from capital market enhancements being pursued by the chancellor. UK small and mid cap companies are an inflation-sensitive part of the market, so the recent decline in consumer price inflation data (both in the UK and in the US) is seen as a positive for the sector. We now expect interest rates to fall, with an average forecast for a 1% rate cut in 2024, followed by another 1% in 2025. This appears to have prompted renewed interest in UK mid caps but, given the extent of undervaluation that we see, this could be the start of a much longer-term trend.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

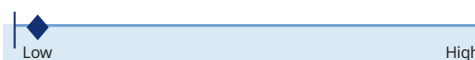
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.51%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Islamic Global Equity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Global

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.55%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Long Dated Corporate Bond Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America 15+ Year Sterling Non-Gilt Gross Total Return GBP

1. Performance

Performance Commentary: The second and third quarters of 2022 were a key period for underperformance over the last three years, with Q2 2023 performance also having a significant negative impact.

The fund had a modest higher than benchmark (overweight) sensitivity to interest rates (duration) for much of 2022 (although only a very limited overweight position in September), which in this environment led to material underperformance. In general, the overweight duration expressed the team's consistent view on slowing global growth, but we were too early in implementing this position as both inflation indications and subsequently interest rate expectations rose dramatically (especially in the immediate aftermath of Russia's invasion of Ukraine).

In Q2 2023, expectations that the Bank of England was close to a peak in interest rates were revised by a consistently resilient labour market and slow changes in inflation rates, and again the fund's modest overweight duration position generated a negative performance.

Remedial Action: In June 2023, the team took action to address the disappointing performance of the strategy since 2022, and ensure that they are equipped to make the best use of opportunities in fixed income to the benefit of clients. This action included restructuring the team under a new Head of Global Unconstrained Fixed Income; adding additional resources; and making a number of material changes to the investment process to incorporate: more dynamic asset allocation, particularly with respect to credit; increased flexibility to promptly reconsider investment views that are not performing well and modify positions that are underperforming; and enhanced risk management through greater use of quantitative models to help mitigate potential bias. We expect this evolution of team and process to lead to improved performance over time; relative performance has been positive over the six months following the implementation of these changes. Peer group-relative performance has also improved.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.27%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Managed Balanced Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Comparator Benchmark: IA Mixed Investment 40-85% Shares

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.93%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. A discount has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Managed Defensive Fund

Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3-Month Government Bill Index plus 2%
Chain linked: UK Consumer Price Index plus 1% per annum until 27/05/2021

1. Performance

Performance Commentary: The fund has a return target of cash (represented by the ICE BofA Sterling 3-Month Government Bill index) plus 2% per annum and a target annual volatility of 4% per annum. The fund has underperformed the return target in part due to market underperformance in 2022 as both equity and bond markets fell sharply. These market falls also led the fund's de-risking mechanism to switch a large amount of market exposure into cash, but the fund then did not adequately re-risk via participation in most of the 2023 equity rebound.

Remedial Action: We are in the process of reviewing appropriate remedial actions for this fund. Further information on next steps will shortly be communicated to unitholders.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 0.19%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder MM Diversity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: UK Consumer Price Index lagged by 1 month

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 1.28%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Monthly Income Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: 5% income per year

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

4. Comparable market rates



Ongoing Charges Figure: 0.91%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Prime UK Equity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE All Share Total Return GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.32%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder QEP Global Active Value Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI All Country World Index Total Return

1. Performance

Performance Commentary: The QEP Global Value strategy significantly outperformed its reference index over 2022 as well as over 2021, with strong stock selection from a variety of areas aiding performance. Although performance fell behind significantly in 2023, the strategy remains ahead over a three year period and is comfortably ahead versus the MSCI ACWI Value index.

Given the five-year period in scope, the strategy remains marginally behind due to challenged performance through 2020 and 2023. The key driver of underperformance in both of these periods was the lower-than-benchmark (underweight) allocation to the 'Magnificent Seven' stocks (seven high-performing large cap stocks considered to be leaders in their industries), many of which fall outside of our Value universe. The vast majority of the strategy's underperformance in 2023 is explained by the underweight allocation to these seven names alone. In 2020, underperformance was driven by similar issues, although due to a broader set of US 'growth' stocks trading at unattractive valuations. The large weights of these stocks in the index has driven significant index concentration, so their strong performance during this period had a significant influence on the overall performance of the index.

Remedial Action: We maintain conviction in our process and philosophy.

Performance headwinds, given our Value focus and diversified approach, are known and expected given index concentration in a set of US technology stocks with large weights that sit outside our Value universe. Performance is competitive, having kept pace with the broader MSCI ACWI index since inception in 2004 despite challenging dynamics, while significantly outperforming the relevant Value index. Over three years, to the end of 2022, the strategy has outperformed the MSCI ACWI and MSCI ACWI Value indices. We believe the strategy continues to provide an efficient solution to access the Value opportunity set in a diversified manner.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

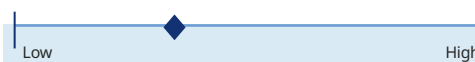
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.85%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder QEP Global Core Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Constraining Benchmark: MSCI World Net Total Return GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.29%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. A discount has been applied to the retail share classes of the fund and investors in these classes are currently benefiting from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder QEP US Core Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Constraining Benchmark: Standard & Poor's 500 Net Total Return USD

1. Performance

Performance Commentary: The QEP US Core strategy is ahead of its benchmark on a gross basis over the five-year period though marginally behind net of fees. We would note that the strategy is comfortably ahead, both gross and net, over a three-year basis as well as a one-year basis following outperformance versus its benchmark more recently.

Though recent outperformance has been stronger, given the five-year period in scope, the strategy remains marginally behind due to challenged performance through 2019 and 2020. The key driver of underperformance in those calendar years was the lower-than-benchmark (underweight) allocation to big US technology stocks. The large weights of these stocks in the index has driven significant index concentration, so their strong performance during this period had a significant influence on the overall performance of the index.

This provided a headwind versus the fund's benchmark (the S&P 500) given our diversified approach. At the same time, a broad range of stocks, including many high-quality ones, were neglected during this time. This changed in late 2020 with the arrival of effective COVID vaccines and the subsequent market rotation, where we saw the COVID-inspired speculative bubble in profitless technology form before its rapid unwinding in 2021.

Remedial Action: We maintain our conviction in the QEP investment process and philosophy, which is strategic in nature and has been in place since the fund's inception. Our consistency in approach has been communicated to clients and is well received, particularly since our diversified approach is often paired with more concentrated growth-themed strategies. However, constantly changing market conditions demand new ideas and fresh perspectives. While QEP's strategic anchoring on the identification of Value and Quality opportunities remains unaltered, the team is continually searching for ways to incrementally enhance its approach to stock selection and portfolio construction.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.33%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Recovery Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE All Share Total Return GBP

1. Performance

Performance Commentary: The fund is managed in a 'value' style. This means seeking out companies that we believe have been overlooked by the market and are trading at a significant discount to their true value. There is strong support from decades of data that investing in value shares delivers outperformance and avoids capital risk. However, in the past few years, compared with market indices increasingly dominated by growth or technology stocks, value-style portfolios have underperformed.

The onset of the Covid-19 pandemic exacerbated this trend. For much of 2020, the market's focus was on short-term profitability alone, and it has not focused or distinguished between companies with differing balance sheet strength. This has been difficult in terms of the short-term performance of the funds run by Schroders' Value Equity team.

The sell-off in March 2020 (due to investors' demand for liquidity caused by the Covid-19 pandemic) was particularly challenging for value-oriented portfolios. However, global equity markets have staged a strong recovery, and the value factor has performed much better recently. Over recent

years we have taken advantage of valuations to increase diversification and our process has meant we have avoided the stocks that have fared the worst in market drawdowns. We are also being cautious as we lean into areas that we expect to benefit the portfolio greatly over the long term, even if that feels uncomfortable today.

Remedial Action: Every company we are invested in has been stress-tested, and we believe that the stocks we select compensate for any risk by the potential increase in value (upside) on offer. During this period of underperformance, we have continued to re-examine all of the positions in the fund, reviewed fund turnover and assessed the consistency of our style.

Performance recently has improved as the value investment style became more favoured compared to the previous decade.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 0.91%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount is not being applied. For a part of the year, the fund's AUM was greater than £1bn and therefore it was achieving meaningful economies of scale. A discount was applied to the retail share classes of the fund and investors in these classes benefited from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount was not applied.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder Sterling Broad Market Bond Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Composite of 50% of the iBoxx GBP Gilts Total Return and 50% of the iBoxx GBP Non-Gilts (Gross Total Return) Index.

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

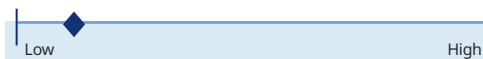


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.33%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Sterling Corporate Bond Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Bank of America Merrill Lynch Sterling Corporate & Collateralised Total Return

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

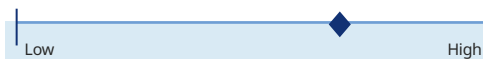


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.62%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Sterling Short Dated Broad Market Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Bank of America Merrill Lynch Sterling Aggregate 3-5 year Total Return GBP

1. Performance

Drivers for underperformance:

The second and third quarters of 2022 were a key period for underperformance over the last three years, with Q2 2023 performance also having a significant negative impact.

Mid-2022 was a challenging period as persistent inflation fears and a tightening of monetary conditions saw dramatic sales in bond markets, particularly exacerbated by the UK's political volatility at the end of September. The fund had a modest higher than benchmark (overweight) sensitivity to interest rates (duration) for much of 2022 (although only a very limited overweight position in September), which in this environment led to material underperformance. In general, the overweight duration expressed the team's consistent view on slowing global growth, but we were too early in implementing this position as both inflation indications and subsequently interest rate expectations rose dramatically especially in the immediate aftermath of Russia's invasion of Ukraine.

In Q2 2023, expectations that the Bank of England was close to a peak in interest rates were revised by a consistently resilient labour market and slow changes in inflation rates, and again the fund's modest overweight duration position generated a negative performance.

Action taken / Rationale:

The team took action in mid-2023 to address the disappointing performance of the strategy since 2022, and ensure that they are equipped to make the best use of the opportunities in fixed income to the benefit of clients. This action included restructuring the team under a new Head of Global Unconstrained Fixed Income; adding additional resources; and making changes to the investment process to incorporate: more dynamic asset allocation, particularly with respect to credit; increased flexibility to promptly reconsider investment views that are not performing well and modify positions that are underperforming; and enhanced risk management through greater use of quantitative models to help mitigate potential bias. We expect this evolution of team and process to lead to improved performance over time; results over the six months following the implementation of these changes have been positive. In general the team still has confidence that global growth is on a slowing trend and that inflation is broadly declining, but given the risks to the view we currently choose not to reflect this through an overweight to headline duration. We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.24%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Strategic Bond Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Income and capital growth target of between 2.5% and 4.5% per year

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

2. Quality of service



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

4. Comparable market rates



Ongoing Charges Figure: 0.65%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

Schroder Strategic Credit Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3-Month Government Bill Index
Chain linked: 3 month GBP LIBOR until 10/05/2021

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

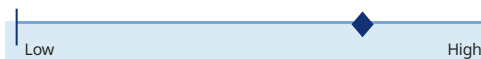


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.77%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder Sustainable Bond Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3 Month Government Bill Index plus 2.5%
Chain linked: 3m GBP LIBOR +1% until 28/06/2021

1. Performance

Performance commentary: The fund was redesigned and adopted its current strategy in Q1 2022.

Over the previous three years, taking into account the strategy of the fund before and after the redesign, the fund's performance reflects:

- The impact of significant sensitivity to interest rates (duration) positions during sell-offs in the bond markets in late 2021; and
- Duration positioning in 2022. This expressed the team's consistent view on slowing global growth, which we were too early in implementing as the market instead focused on inflation and rising interest rate expectations, which caused yields to rise significantly.

Over the past year, performance has been positive and the fund has outperformed its target benchmark, with investment selection being the main contributor to performance. However, this improvement has not yet been sufficient to mitigate prior losses.

Remedial action: The fund adopted a redesigned strategy in Q1 2022 to meet demand for sustainability-focused fixed income investments in the UK, and in recognition that in its previous form it generated minimal investor demand.

Further to a disappointing period of performance, a number of changes were made to the team (now called the Global Unconstrained Fixed Income team) and to the investment process. The investment process has changed from a thematic to a scenario-based approach more suited to the post-Global Financial Crisis fixed income markets. We expect this evolution of team and process to lead to improved performance over time; results over the six months following implementation of these changes have been encouraging.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.50%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder Sustainable Future Multi-Asset Fund

Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: ICE Bank of America Sterling 3-Month Government Bill Index plus 3.5%
Chain linked: UK Consumer Price Index plus 4% until 01/04/2022

1. Performance

Performance commentary: The fund aims to deliver a return of 3.5% per annum above the ICE BofA Sterling 3-Month Government Bill Index (as a measure of cash). Prior to 1 April 2022, the fund's return target was 4% per annum above the UK Consumer Price Index (as a measure of inflation). Past performance of the fund has been measured against the return objective in effect at the time. The fund also aims to have an average annual volatility of 50 - 67% of that of the global stock market (represented by the MSCI All Country World GBP hedged Index) over a five to seven year period.

During the first half of 2020 and 2022, global stock markets suffered significant declines, which affected our ability to deliver the fund's objectives. Having outperformed its benchmark in both 2019 and 2020, the fund underperformed against its benchmark in 2021 due to the sharp increase in the Consumer Price Index over the course of 2021.

2022 saw broad declines across most markets and, despite offering downside protection from the worst of the market falls, the fund's negative performance

meant that performance over the seven year investment period was also negative. In the first half of 2023, the fund was positioned defensively for an economic slowdown which did not materialise as expected. As a result, the fund did not capture much upside as markets rallied. Second-half performance in 2023 improved after positive action was taken; however, for the year as a whole, the return was behind target. The fund met its volatility objective over 10 years but was below the target volatility range over five and seven years. This was a result of defensive positioning described above.

Remedial action: Given the sustained underperformance we are in the process of determining appropriate remedial actions for this fund. Further information on next steps will be communicated to unitholders in due course.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

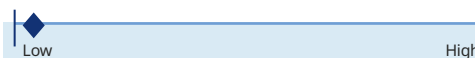
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.30%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder Sustainable Multi-Factor Equity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: MSCI All Countries World Index Net Total Return GBP

1. Performance

Performance commentary: The fund experienced a challenging period of performance which lasted from the start of 2018 until the end of 2020. During this period, many active managers struggled as the best returns in the market came from a small number of large cap, growth oriented stocks.

The fund's 'growth' factor's outperformance led to significant underperformance in Value and other 'anti-growth' factors (such as Governance). Growth-neutral factors, such as Profitability and Momentum, failed to perform their usual diversifying role, leading to significant underperformance. Finally, the unusual focus of 'growth' on large cap stocks led to them outperforming small caps to an extent not seen since the financial crisis.

Performance improved in 2021 as the market environment for factor investing improved, with growth less dominant and a recovery in the other quantitative factors. In this more moderate environment, the fund outperformed its benchmark last year and as a result has narrowed the relative performance gap since inception.

In 2022, the fund's performance was marginally behind the benchmark. Once again a poor market environment for our style of investing made it difficult for the fund to maintain its momentum.

Performance was mixed in 2023, with the fund outperforming in the first three quarters before struggling in the fourth quarter due to market rotations and specific sector exposures. Specifically, the fund's factor exposures struggled in an environment that favoured cyclical stocks, as market participants embraced higher risk. Underperformance was primarily driven by stock selection within the US and losses in the technology sector.

Remedial action: We continue to look for ways to construct diversified and differentiated portfolios. To help us achieve our objectives, our research efforts focus on ways of enhancing our exposure to a set of diversifying factors while also creating new ways to express those factors.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. Every fund exceeding the threshold is eligible for a scale discount on its retail share classes, however this fund does not contain any retail share classes. Non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.22%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder Sustainable UK Equity Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE All Share Total Return GBP

1. Performance

Performance commentary: Portfolio performance relative to the benchmark was influenced by two factors related to positioning. Firstly, the UK's largest companies have outperformed small and mid-caps, where we have a higher-than-benchmark (overweight) allocation. This has been a headwind for all active managers due to the largest securities in the UK accounting for a material proportion of the index (then ten largest securities represent 40% of the value of the FTSE All Share index, as at 31 December 2023). Secondly and more recently, the performance of allocations to some specific sectors was negative, driven mainly by the portfolio's lower allocation to outperforming conventional energy exposures in the period.

It is also important to note the material underperformance of some of the sustainability-focused exposures. For example, securities within the renewables subset of the market; their growth has moderated and they have consequently underperformed.

Remedial action: The core focus continues to be constructing a portfolio consisting of securities which offer products or services which are aligned with the fund's sustainability performance.

The recent environment of higher-than-normal inflation and higher interest rates has contributed to this challenging period of relative performance for UK equity active managers. Such an environment has been positive for sectors which carry material weightings within the FTSE All Share index, such as conventional energy and financial stocks. The market environment is evolving and inflation is receding, leading to the potential for interest rates to also recede. This should be positive for small and mid cap companies. Therefore, we believe positioning will no longer have such a negative influence on relative performance.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.87%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. More information can be found on the fund's factsheet.

Schroder Tellworth UK Dynamic Absolute Return Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Absolute return

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.91%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

Schroder Tokyo Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Tokyo Stock Exchange 1st Section (Net Total Return) Index
Chain linked: Tokyo Stock Exchange 1st Section (Gross Total Return) Index until 01/07/2023

1. Performance

Performance commentary: Our investment process has always resulted in a moderate, but consistent bias toward 'value' stocks. In the past, the Japanese equity market has rewarded value investors. However, for several years up to late 2020, this style bias had hampered performance as investors persistently favoured stable growth stocks in an era of zero interest rates. At the same time, geo-political and macro factors have weakened the contributions from stock selection in the period until early 2021. As a result, investment style had a greater impact on performance than any risk models had predicted. Data has consistently shown no significant outliers among individual detractors.

Instead, underperformance over five years has been generated by minor detractors across a wide range of stocks in the fund, backing up our view that style was the dominant influence for most of the period. These trends accelerated dramatically from March 2020 and persisted throughout the second and third quarters of 2020. As a result, the fund underperformed for much of 2020, leading to further deterioration in long-term relative returns. Although many markets saw some style reversal towards the end of 2020, this effect was initially very muted in Japan. However, the fund did recover in the fourth quarter of the year. During 2021, there was a clearer change in market leadership and a stronger stock-specific element in returns, which has continued throughout most of 2022.

As a result, we have seen an improvement in short-term relative performance and the calendar-year performance for both 2021 and 2022 is well

ahead of the benchmark. Coming into 2023, there were further swings in market leadership in terms of styles and sectors, and while the fund solidly outperformed during Q2 to Q3, difficult markets in Q1 and Q4 pulled the fund performance to negative territory for the full year of 2023. As a result, although three year performance remains strong thanks to outperformance in 2021 and 2022, the five year performance remains challenging due to style impacts before 2021 and the market swing in 2023.

Remedial action: Given the extreme range in valuations within the market, which remains even after the value rally in 2023, we believe there is no reason to change the fund's overall style bias. As a result of our refined portfolio strategy, style factors have contributed a smaller proportion of total risk and stock specific risk has risen. We have also reduced the number of the positions. This ensures the fund fully reflects our level of conviction on individual stocks. Research is the key driver of fund performance and the fund manager and team continue to make efforts to improve our research quality. During 2023, we formed one single research platform by integrating sector analysts team and the small cap team. We believe this renewed research team will enable the fund manager to add more new ideas as well as raise the conviction level of the portfolio.

Therefore, we have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

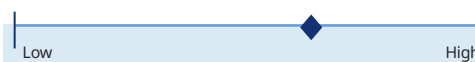
We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.92%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder UK Alpha Income Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE All Share Total Return GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

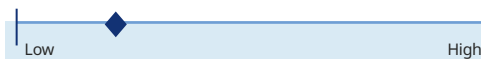


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.75%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder UK Alpha Plus Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE All Share Total Return GBP

1. Performance

Performance commentary: Portfolio performance relative to benchmark was influenced by two factors related to positioning. Firstly, the UK's largest companies have outperformed small and mid-caps, where we have a higher-than-benchmark (overweight) allocation. This has been a headwind for all small and mid-cap active managers due to the largest securities in the UK accounting for a material proportion of the index (the ten largest securities represent 40% of the value of the FTSE All Share index, as at 31 December 2023). Secondly and more recently, the performance of allocations to some specific sectors was negative, driven mainly by the portfolio's lower allocation to outperforming conventional energy exposures in the period as well as banks.

The fund is relatively concentrated with only 30-35 holdings which the managers deem to exhibit 'quality' characteristics. At the security level, underperforming securities have included Kerry Group, Future and Smith & Nephew. All are established businesses where growth has temporarily stalled and the share prices have receded as a result. The company Future has also seen a change in management team. We retain positions in all three securities, believing them to still be quality businesses within their respective industries and good value at present depressed levels.

Remedial action: The core focus continues to be constructing a portfolio consisting of their highest conviction long-term stock choices, which do not include conventional energy names or large cap banks. Securities in each of the latter two sectors do not meet the quality filter the team apply within their investment process.

The market environment is evolving and inflation is receding, leading to the potential for interest rates to also recede. This should be positive for small and mid cap companies. Therefore, we believe positioning will no longer have such a negative influence on relative performance.

Whilst this remains a difficult period for small cap managers, we are unwavering in our focus to deliver long term returns for clients as we have done since launch of this product.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.80%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder UK Dynamic Smaller Companies Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Numis Small Companies plus AIM excluding Investment Companies Total Return GBP Index
Chain linked: FTSE Small Cap excluding Investment Trust (Gross Total Return) Index until 09/01/2023

1. Performance

Performance Commentary: Like most UK equity small cap actively managed funds over the last five year period, the portfolio has underperformed the benchmark. Only six of 42 portfolios in the IA UK Smaller Companies category outperformed the FTSE Small Cap ex IT index, highlighting how unusually challenging this period has been for active managers.

The underperformance observed by most small cap managers in recent years suggests that external factors have contributed to the fund's underperformance. However, we misjudged some of our position sizing and could have acted faster when spotting waning operational momentum in certain holdings.

Material outflows in UK equities and more sellers of less liquid small cap shares than buyers in recent years have contributed to an unusually difficult environment for active small cap managers to outperform.

From a strategy perspective, funds which have a deep value style focus have performed modestly better than peers as financial institutions and conventional energy stocks have outperformed. However, this does not mean the portfolio has been immune to stock-specific setbacks.

CMC Markets is one such example. The company is going through a three year phase of spending

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

significant capital on developing a new investment platform which will take the company from being not only an extensive spread betting platform but one which allows customers to manage and monitor all of their investments. This spend is depressing profits. Concurrently, there is low volatility in the markets which is not conducive to people trading on the existing platform. Taking a long term view, we are confident that the company will deliver on its strategy and low volatility will not last forever. Consequently, we continue to hold the stock, taking further comfort from the fact that founder and CEO Lord Cruddas holds 59% of the shares.

IG Design, XP Power, Vivendum and NCC Group are other securities which have underperformed their respective sectors and therefore contributed negative security-specific influences on overall performance.

On 1 December 2023, James Goodman replaced Iain Staples as portfolio manager. The new portfolio manager is not making material changes to positioning, recognising the prospect that the market environment can adjust sharply and that current positioning may contribute to performance going forward.

Remedial Action: We do not believe remedial action is required.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Ongoing Charges Figure: 0.92%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

Schroder UK Mid 250 Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE 250 excluding Investment Trust Total Return GBP

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.91%



Our assessment found that at least one of the fund's share classes have higher charges than the majority of its IA sector peer group and/or Broadridge comparison group. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder UK Multi-Cap Income Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark 1: FTSE All Share (Gross Total Return) Index
Target Benchmark 2: 5% income per year

1. Performance

Performance commentary: Portfolio performance relative to benchmark was influenced by two factors related to positioning.

Firstly, the UK's largest companies have outperformed small and mid-caps, where we have a higher-than benchmark (overweight) allocation. This has been a headwind for small and mid-cap active managers due to the largest securities in the UK accounting for a material proportion of the index (the ten largest securities represent 40% of the value of the FTSE All Share index, as at 31 December 2023). Secondly and more recently, the performance of allocations to some specific sectors was negative, driven mainly by the portfolio's lower allocation to outperforming conventional energy exposures in the period. Performance outcomes improved in 2023 due to positive security selection and a moderation in the previous outperformance observed from conventional energy exposures. The top positive individual contributor to returns in 2023 was private equity group 3I, which has a prominent stake in Action (one of the fastest-growing non-food discounters in Europe).

Remedial action: The fund's name, objective and investment policy were adjusted in 2021 and the fund now targets income of 5% per annum as well as capital growth in excess of the FTSE All Share index. Since the income-focused restructure in 2021, the fund has met its target of 5% income per year.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.76%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder UK Smaller Companies Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: FTSE Small Cap excluding Investment Trust Total Return GBP

1. Performance

Performance commentary: Material outflows in UK equities and more sellers of less liquid small cap shares than buyers in recent years have perhaps contributed to an unusually difficult environment for active small cap managers to outperform.

From a strategy perspective, funds which have a deep value style focus have performed modestly better than peers as financial institutions and conventional energy stocks have outperformed. However, this does not mean the portfolio has been immune to stock-specific setbacks. For example, defence equipment company Avon Group have been beset by issues, such as when its body armour product failed US regulatory tests. The management team have since been replaced. We have conviction that defence spending globally is on the rise and that the new management team are focused on rebuilding trust with key partners. This gives us renewed confidence in the security.

As a second example, before the pandemic, Studio Retail was trading strongly under new management and was growing customer numbers and profits. The pandemic led to problems with supply chains, which affected most companies who were importing goods. Studio Retail fully utilised their revolving credit facility, following which their bank announced they would not extend the facility further and gave the shareholders no opportunity to provide fresh equity, resulting in a loss of all outstanding capital in the security.

Remedial action: Given the higher levels of individual security risk and lower liquidity associated with small cap companies, we are careful to ensure that the capital of the fund is well diversified.

While this remains a difficult period for small cap managers, we are unwavering in our focus to deliver long term returns for clients as we have done over the 30+ year lifecycle of this product. We believe the small cap environment in the UK can benefit from capital market enhancements being pursued by the chancellor. UK small and mid cap companies are an inflation-sensitive part of the market, so the recent decline in consumer price inflation data (both in the UK and in the US) is seen as a positive for the sector. We now expect interest rates to fall, with an average forecast for a 1% rate cut in 2024, followed by another 1% in 2025. This appears to have prompted renewed interest in UK mid caps but, given the extent of undervaluation that we see, this could be the start of a much longer-term trend.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Ongoing Charges Figure: 0.91%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services

We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. These share classes have fee rates that are lower than the equivalent share classes in such comparable funds and/or the fees charged on such comparable segregated mandates. We have therefore concluded that the fees associated with this fund are reasonable and appropriate.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder UK-Listed Equity Income Maximiser Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: 7% income per year

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

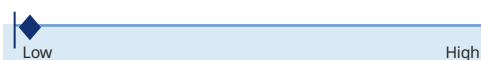


Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates



Ongoing Charges Figure: 0.45%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroder US Equity Income Maximiser Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: 5% income per year

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.49%



Our assessment found that this fund is cheaper or priced in line with the majority of its IA sector peer group and/or Broadridge comparison group, and is therefore demonstrating value to our investors by being competitively priced.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

Schroder US Mid Cap Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Russell 2500 Total Return GBP
Chain linked: Russell 2500 Total Return lagged (Gross Total Return) Index until 01/07/2023

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.91%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount is not being applied. For a part of the year, the fund's AUM was greater than £1bn and therefore it was achieving meaningful economies of scale. A discount was applied to the retail share classes of the fund and investors in these classes benefited from this discount. Investors in non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount was not applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroder US Smaller Companies Fund

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Russell 2000 Total Return GBP
Chain linked: Russell 2000 lagged (Gross Total Return) Index until 01/07/2023

1. Performance



The fund has delivered its investment objective over the recommended performance period and is delivering value for the performance criteria.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.92%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



We have reviewed the charges for each share class of your fund against other comparable funds and/or segregated mandates managed by Schroders. At least one share class has fee rates that are higher than the equivalent fees charged on comparable segregated mandates. The charges we set for our funds and segregated mandates reflect a variety of factors. These include the services provided and our costs of providing these services, for instance the costs of running funds that are sold through distributors or intermediaries such as an online platform or financial adviser which are not applicable to our segregated mandates. Given this, a further review found the charges for each share class of your fund are reasonable and appropriate.

Schroders Capital Climate + LTAF

Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: Absolute return

1. Performance



As the fund was launched in 2023, there is insufficient data to provide investors with a useful assessment of the fund's past performance.

2. Quality of service



We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. Through all our metrics we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs



We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates



Ongoing Charges Figure: 0.75%

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale



Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

6. Comparable services



Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units



All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Sustainability performance

The fund was aligned with its sustainability commitments, as disclosed in the investment objective and policy, over the period since its launch. For more information please refer to your Schroder Capital contact.

Schroders Capital UK Real Estate Fund

Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: AREF UK Quarterly All Balanced Open-Ended Property Fund Index

1. Performance

Performance commentary: Underperformance can be attributed to:

- (i) a relative higher-than-benchmark (overweight) position in the office sector, which has seen a decline over the past three years due to negative sentiment following the pandemic;
- (ii) rapid increases in yield across sectors following the increase in UK bond yields, a higher cost of debt and an uncertain economic outlook (the fund held a lower yielding portfolio over this period, driven by more defensive income characteristics compared with the benchmark which meant the fund was more adversely impacted by rising interest rates and real estate yields);
- (iii) in line with emerging best practice and good governance as set out by recent RICS guidance, the fund changed independent valuer in April 2023. This resulted in valuation declines that

were above expectations for some office and industrial assets.

Remedial Action: The team have taken steps to reduce the fund's office weighting, which has reduced from 45.5% three years ago to 32.2% as at December 2023. The industrial weighting has also been increased from 21.6% to 32.8% over the same period. The loan-to-value (LTV) and associated ongoing interest expenses has been reduced following a significant repayment of the revolving credit facility.

The team have accelerated several strategic initiatives and key objectives to positively differentiate the strategy and encourage future investor interest. This includes specific strategies to diversify the investor base, differentiate the portfolio through sustainability, and maximise asset performance through active management.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. One area we have conducted a further review is on the deferral of redemptions in the fund.

Due to the relative illiquid nature of this fund, we may defer redemptions where we consider it to be in the best interests of investors. The maximum deferral period is 24 months and any redemption will be deferred to a dealing day within this timeline to when the fund has sufficient liquidity to meet the redemption providing it is in the best interest of investors to do so. As has been clearly communicated to existing investors, the level of redemption requests received by the fund has been higher during the most recent 12-month period than in recent years and a deferral period has been introduced on the fund. As at the 30 September 2023, the fund has notified investors of its decision to make a partial redemption payment, with the remaining outstanding redemptions deferred, pending completion of further asset sales.

The fund continues to adopt a prudent approach to liquidity management and in light of the increased level of redemption requests, has implemented a liquidity management strategy in order to manage capital in the best interest of all investors.

However, we have concluded that the extent of delays in the redemption deferral process may not have fully met the standard expected by us in terms of client experience. Other than this, we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

4. Comparable market rates

Total Expense Ratio: 1.03%

Figure as at 31 March 2023.

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

5. Economies of scale

The fund's AUM is greater than £1bn and therefore it is achieving meaningful economies of scale. Every fund exceeding the threshold is eligible for a scale discount on its retail share classes, however this fund does not contain any retail share classes. Non-retail share classes receive discounts via lower management fees or rebates and therefore a scale discount has not been applied.

6. Comparable services

Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Schroders Capital UK Real Estate Fund Feeder Trust

Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below. For more detail on how we completed this assessment, please refer to the 'Seven areas' section in the front of this report.

Target Benchmark: AREF UK Quarterly All Balanced Open-Ended Property Fund Index

1. Performance

Performance commentary: Underperformance can be attributed to:

- (i) a relative higher-than-benchmark (overweight) position in the office sector, which has seen a decline over the past three years due to negative sentiment following the pandemic;
- (ii) rapid increases in yield across sectors following the increase in UK bond yields, a higher cost of debt and an uncertain economic outlook (the fund held a lower yielding portfolio over this period, driven by more defensive income characteristics compared with the benchmark which meant the fund was more adversely impacted by rising interest rates and real estate yields);
- (iii) in line with emerging best practice and good governance as set out by recent RICS guidance, the fund changed independent valuer in April 2023. This resulted in valuation declines that were above expectations for some office and industrial assets.

Remedial Action: The team have taken steps to reduce the fund's office weighting, which has reduced from 45.5% three years ago to 32.2% as at December 2023. The industrial weighting has also been increased from 21.6% to 32.8% over the same period. The loan-to-value (LTV) and associated ongoing interest expenses has been reduced following a significant repayment of the revolving credit facility.

The team have accelerated several strategic initiatives and key objectives to positively differentiate the strategy and encourage future investor interest. This includes specific strategies to diversify the investor base, differentiate the portfolio through sustainability, and maximise asset performance through active management.

We have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

2. Quality of service

We have assessed key service areas relating to our fund operations, our investment process and our client experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. One area we have conducted a further review is on the deferral of redemptions in the fund.

Due to the relative illiquid nature of this fund, we may defer redemptions where we consider it to be in the best interests of investors. The maximum deferral period is 24 months and any redemption will be deferred to a dealing day within this timeline to when the fund has sufficient liquidity to meet the redemption providing it is in the best interest of investors to do so. As has been clearly communicated to existing investors, the level of redemption requests received by the fund has been higher during the most recent 12-month period than in recent years and a deferral period has been introduced on the fund. As at the 30 September 2023, the fund has notified investors of its decision to make a partial redemption payment, with the remaining outstanding redemptions deferred, pending completion of further asset sales.

The fund continues to adopt a prudent approach to liquidity management and in light of the increased level of redemption requests, has implemented a liquidity management strategy in order to manage capital in the best interest of all investors.

However, we have concluded that the extent of delays in the redemption deferral process may not have fully met the standard expected by us in terms of client experience. Other than this, we have concluded that we provide value to our investors in our quality of service, along with a mature and effective framework for fund oversight and reporting of risks.

3. Authorised fund manager costs

We reviewed every cost component of the Schroders Annual Charge (SAC) at a share class level. We concluded that in relation to each charge, the costs of providing the service to which the charge relates are reasonable and appropriate.

5. Economies of scale

Currently, the fund's AUM is below £1bn and therefore it is not large enough to achieve meaningful savings from economies of scale, consequently a scale discount has not been applied.

4. Comparable market rates

Total Expense Ratio: 1.03%

Figure as at 31 March 2023.

Due to the bespoke nature of this fund it is not comparable to other funds and therefore has no peer group that we can compare the fund's charges against.

6. Comparable services

Due to the bespoke nature of this fund, there is no internal service offered which can act as a direct comparison.

7. Classes of shares or units

All available share classes have been comprehensively reviewed. Where share classes with substantially similar rights and a differential in fee level are identified we convert investors to the cheaper of the available share classes on a semi-annual basis. Investors are therefore in the cheapest share classes available to them given how they are investing and the features they are looking for.

Glossary of Terms

Absolute return

An asset's standalone return (gain or loss) over time. It is not being compared to anything else such as a benchmark or another asset.

Active management

The management of investments based on active decision-making rather than with the objective of replicating the return of an index. The manager aims to beat the market through research, analysis and their own judgement.

AFM (Authorised Fund Manager)

The AFM is responsible for the overall management of the fund and may appoint an investment manager to invest money on behalf of clients. An authorised investment fund is one that is authorised and regulated by the UK financial regulator, the FCA. *Please also see FCA definition.*

Alternative asset

An investment outside of the traditional asset classes of equities, bonds and cash. Alternative investments include property, hedge funds, commodities, private equity, and infrastructure.

AMC (Annual Management Charge)

Following the introduction of the Schrodgers Annual Charge, AMC has been replaced by SAC. *Please see SAC definition.*

Assessment of Value

The FCA requires managers of UK funds to publish an annual report demonstrating how they are providing value to investors in their funds.

Asset allocation

The apportionment of a portfolio's assets between asset classes and/or markets. For example, a fund may hold a combination of shares, bonds and cash. The weightings given vary according to the investment objective and the investment outlook.

Asset class

Broad groups of different types of investments. The main investment asset classes are equities, bonds and cash. Non-traditional asset classes are known as alternative investments.

Attribution

A sophisticated method for evaluating the performance of a portfolio or fund manager.

Benchmark

A standard (usually an index or a market average) against which an investment fund's performance is measured.

Please also see comparator benchmark and target benchmark definitions.

Bond

A way for governments and companies (the issuers of the bond) to borrow money for a certain amount of time. A typical arrangement would be in exchange for an upfront payment from an investor, the issuer will make periodic interest payments to the investor and then repay the initial investment amount at the end of the bond's term (its maturity).

Bond proxies

Investments (namely stocks or ETFs) that, in theory, replicate a bond's price stability.

Bottom-up (investment style)

Investment based on analysis of microeconomic variables, whereby individual companies' history, management, and potential are considered more important than general market or sector trends (as opposed to top-down investing).

Brexit

An abbreviation for "British exit," referring to the withdrawal of the United Kingdom (UK) from the European Union (EU).

Broad-based

Relates to an index or average that is designed to reflect a representation of a group of stocks or an entire market.

Business cycle

Also referred to as the "economic cycle". Essentially it describes how business activity goes up and down over time. There are four stages of the business or economic cycle: expansion, slowdown, recession and recovery.

Capital growth

The increase in the value of an asset or investment over time.

Capital risk

The potential loss of all or part of an investment.

Cazenove Capital

A long-established wealth manager which is part of the Schrodgers group.

Chain-linked

Where a benchmark for a fund has changed during a performance period, performance of the fund is measured against the new benchmark from the date when the new benchmark became effective, but is measured against the previous benchmark prior to the effective date of the benchmark change.

Clean fee share classes

A class of fund shares that does not include commissions or distribution fees in its Schrodgers Annual Charge (SAC).

Conservative (investment style)

Prioritises the preservation of capital over market returns by investing in lower-risk securities.

Conviction (investment style)

A fund manager's strongly held belief in the view of an investment or investment approach.

Comparator benchmark

A standard (usually an index or a market average) against which an investment fund's performance is compared to.

Covid-19

The name given by the World Health Organisation (WHO) to the illness caused by the coronavirus illness which was first recorded in 2019.

Glossary of Terms

CPI (Consumer Price Index)

The Consumer Price Index (CPI) measures how much prices of consumer goods and services change over a period of time. For example, if CPI is 2.5% for the 12 months ending January 2020, this means that on average, the price of consumer goods will be about 2.5% higher than they were in January 2019. *Please also see Inflation definition.*

Corporate governance

The system of rules, practices, and processes by which a company is directed and controlled.

Cyclical stock

A stock where returns are directly affected by changes in the overall economy. Opposite of defensive stocks.

Defensive stock

A stock which aims to provide consistent dividends and stable earnings regardless of the overall stock market environment.

Dividend

The distribution of corporate earnings to eligible shareholders. A payment made by a company to its shareholders. The company decides how much the dividend will be, and when it will be paid.

Discount rate

The rate used to measure expected value of future cash flows

Domicile (e.g. a UK-domiciled fund)

A fund's domicile is essentially its country of residence. It determines how a fund is to be treated from a tax perspective much as the domicile (i.e. permanent home) determines what tax legislation applies. Schroders has a range of unit trust funds that are UK-domiciled while the Schroder International Selection Fund range is domiciled in Luxembourg.

Downside risk

An estimate of the potential decline in value of a given investment.

Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating duration for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the longer the duration number the higher the potential return (and the greater the risk).

Economic cycle

Also referred to as the "business cycle". *Please also see Business cycle definition.*

Emerging markets

Countries that have rapidly growing economies and may be going through the process of industrialisation. This is compared to developed markets which have already undergone this process and are considered to be already economically advanced.

Equities

Also known as shares or stocks, this represents a share in the ownership of a company.

ESG (Environmental, Social and Governance)

ESG represents environmental, social and governance considerations and covers issues such as climate change, energy use, labour standards, supply chain management and how well a company is run.

ETF (Exchange-Traded Fund)

ETFs usually track an underlying index and trade just as a normal stock would on an exchange. ETFs can track stocks in a single industry or an entire index of equities.

Factor (investment style)

An approach that involves targeting specific drivers of return across asset classes.

FCA (Financial Conduct Authority)

The FCA regulates the UK's financial markets. Its objective is to ensure that relevant markets function well - for individuals, for business and for the economy as a whole.

FTSE All Share

A price-weighted index comprising of approximately 650 of the top UK publicly listed companies.

Fundamental analysis

The process of identifying stocks that are undervalued by looking at the underlying investment.

Gilt

A bond issued by the UK government.

Growth (investment style)

Companies perceived as stable growers that investors are willing to pay a premium for on the basis of their future growth prospects.

Earnings are expected to increase at an above- average rate compared to their industry sector or the overall market.

Hedge fund

A collective name for funds targeting absolute returns through investment in financial markets and/or applying non-traditional portfolio management techniques. Hedge funds can invest using a broad array of strategies, ranging from conservative to aggressive.

IA (Investment Association) sector

As published by the Investment Association, the IA sectors divide the fund universe to reflect the asset type, industry sector, or geographic regions funds are invested in. There are over 35 IA sectors. These are there to help navigate the large universe of funds in the UK and include some offshore (EU) funds. The sectors divide up the funds into smaller groups, to allow like-for-like comparisons between funds in one or more sectors, for instance to look at performance and fund charges.

Glossary of Terms

Income distribution

The distribution of income to unit holders of pooled funds in proportion to the number of units held.

Index (investment style)

A passive investment strategy that seeks to replicate the returns of a benchmark index.

Inflation

A measure of the increase in prices of goods and services over time.

Investment universe

The range of stocks in which a portfolio can invest.

KIID (Key Investor Information Document)

A two-page document that summarises a fund's investment objective, key risks, ongoing charges figure (*please see OCF definition*) and past performance. It is required for funds that come under EU law and is designed to allow comparability across funds.

Large cap

Please see Market capitalisation definition.

LIBID (London Interbank Bid Rate)

The average interest rate at which financial institutions in the UK pay for depositing eurocurrency.

LIBOR

The benchmark interest rate at which global banks lend to one another. Since the end of 2021, LIBOR has been phased out and replaced by the Sterling Overnight Index Average (SONIA) as the industry standard benchmark. *Please see SONIA definition.*

Liquidity

The ease with which an asset can be sold for cash. An asset can be described as illiquid if it takes a long time to sell, such as property, or if it is difficult to find someone willing to buy it.

LTV Loan to Value Ratio

The ratio of the value of the home you want to buy and the loan you'll need to buy it, shown as a percentage.

Long/short (investment style)

A strategy, used primarily by hedge funds, that involves taking long positions (buying a holding) in stocks that are expected to increase in value and short positions (borrowing a stock and selling it in the hope of repurchasing it at a lower price to return to the stock lender) in stocks that are expected to decrease in value.

Macroeconomic

Refers to the behaviour and drivers of an economy as a whole. Factors include inflation, unemployment, etc. as opposed to microeconomic which is the behaviour of small economic units, such as individual consumers or households.

Magnificent seven

Seven high-performing large cap stocks considered to be leaders in their industries: Apple, Microsoft, Google parent Alphabet, Amazon, Nvidia, Meta Platforms and Tesla.

Market capitalisation

A measure of a company's size, calculated by multiplying the total number of shares in issue by the current share price. Companies are commonly grouped according to size, such as small cap, mid cap, large cap or all cap. There is no consensus on the definition of these groupings and they may vary from fund to fund depending on the country of investment.

Mid cap

Please see Market capitalisation definition.

MSCI (Morgan Stanley Capital International)

An investment research firm that provides stock indices, portfolio risk and performance analytics, and government tools.

Multi Asset

An investment which contains a combination of asset classes, creating a group or portfolio of assets.

Nominal return

A value which has not been adjusted for inflation.

OCF (Ongoing Charges Figure)

The OCF is made up of the Schroders Annual Charge (SAC), the administration charge and 'other' costs. The administration fee includes directly attributable costs, such as Transfer Agency costs and Fund Accounting fees, and allocated costs to support functions, such as Finance, Tax, Risk, Audit, Legal and Compliance.

Option

Gives the buyer the right (not the obligation) to buy or sell an underlying asset at an agreed price on, or before, a given date in the future.

Overweight

When a portfolio or fund has a greater percentage weighting in an asset class, sector, geographical region or stock than the index or benchmark against which it is measured.

Passive management

A style of investment management that aims to replicate the performance of a set benchmark.

Peer group

A group of funds that may be compared with one another, often for performance purposes. A peer group will usually be based on the fund's investment scope.

Performance period

The length of time over which we expect the fund to deliver its investment objective.

Glossary of Terms

QE (Quantitative Easing)

A tool central banks can use to stimulate an economy by increasing the supply of money. Technically, it involves the central bank printing new money and using this to buy assets from the financial market. This results in more money being in circulation, higher asset prices and lower interest rates (prices and interest rates tend to move in the opposite direction). This combination makes it more attractive for people to invest, borrow and spend more, driving economic growth. This technique has, in recent years, been used by the European Central Bank, the US Federal Reserve and the Bank of England.

Qualitative analysis

The use of subjective judgment and information that cannot be represented by numbers (such as a company's culture) to evaluate an investment.

Quality (investment style)

Companies with higher profitability and perceived to be stable over time relative to their peers. Quality is measured by its profitability, stability, financial strength, sales growth and governance.

Quantitative analysis

Quantitative is often better understood as "numerical". It is used to identify and target the underlying factors responsible for the outperformance of some financial assets over others.

RDR (Retail Distribution Review)

A Financial Conduct Authority (FCA) initiative that aims to provide greater clarity about different types of financial services available. It also seeks to improve transparency around the costs and fees associated with financial advice. The amount of risk capital set by legislation or local regulators, which companies must hold against any difficulties such as market or credit risks.

Real return

The return generated by an investment, having been adjusted for the effects of inflation. For example, an investment grew in value by 5% return over one year, and the rate of inflation was 2%, the real return would be 3%.

Recovery stock

A stock which has fallen in price but which is believed to have the ability to recover.

RICs

Regulated investment companies

Risk premium/premia

The extra return over cash that an investor expects to earn as compensation for owning an investment that is not risk free, so its value could increase or decrease.

Risk-adjusted return

A technique to measure the returns from an investment that takes into account the degree of risk that must be accepted in order to achieve it.

Risk-free rate

The rate of return over a specified period of time on an investment with zero risk.

RPI (Retail Price Index)

The Retail Price Index (RPI) measures how much prices of consumer goods and services change over a period of time. RPI is a measure of inflation and takes the exact same premise as CPI; however, it also includes housing costs. RPI has been deemed an inferior measure to CPI. *Please also see Inflation definition.*

S&P 500

A stock market index that tracks the average performance of the top 500 listed US companies.

Scenario analysis

The process of estimating the expected value of a portfolio in response to adverse events.

Schroder Investment Management (Schroders)

Schroders is a global investment manager. It actively manages investments for a wide range of institutions and individuals, to help them meet their financial goals.

Schroders Annual Charge (SAC)

A single all-in-fee charged to the funds which includes the previously separated Annual Management Charge (AMC), administration fee and most of the other fees that are normally charged. It excludes the extraordinary legal/tax fees and third party fund manager costs.

Share class

A way to differentiate between different types of shares. For companies, this may mean that some shares have voting rights while others do not. Within a fund, the different share classes may represent different ways of paying the investor the income from the fund, different fees and expenses or different base currencies. For example, a fund will often have an "accumulation" share class and an "income" share class. With the former, any income produced will be automatically reinvested back into the fund (more shares will be bought in the fund). With the income share class, income can either be received as a regular payment or reinvested.

Small cap

Please see Market capitalisation definition.

SONIA (Sterling Overnight Index Average)

The interest rate paid by financial institutions during periods when the markets are closed.

Standard deviation

A measure of historical volatility calculated by comparing the average (or mean) return with the average variance from that return.

Stress test

The process of testing the resilience of institutions and investment portfolios against possible worst case future financial situations.

Glossary of Terms

Target benchmark

A standard (usually an index or a market average) which an investment fund's performance aims to match or exceed.

TER (Total Expense Ratio)

The total expense ratio (TER) is the total fees associated with managing and operating each fund. The TER does not include property management fees or other property level costs, performance fees, trading costs, or one-off entry and exit charges.

Thematic (investment style)

Investing according to a chosen investment theme. For example, an investor with a "health and wellness" focus will likely only consider funds that invest in healthy food brands or those companies focused on developing new vaccines.

Top-down (investment style)

An investment strategy which finds the best sectors or industries to invest in, based on analysis of the corporate sector as a whole and macroeconomic trends such as GDP and CPI to determine investment decisions (as opposed to bottom-up investing).

Total return

The total return of an investment is the combination of any capital appreciation (or depreciation) plus any income from interest or dividends. It is measured over a set period, and is given as a percentage of the value of the investment at the start of that period.

Tracking error

A measure of how closely an investment portfolio follows the index against which it is benchmarked.

Underweight

When a portfolio or fund has a lower percentage weighting in an asset class, sector, geographical region or stock than the index or benchmark against which it is measured.

Unit class

Unit classes are a way to differentiate between different types of units in a unit trust. Where we write 'share class' in the report, it is to be construed as meaning unit/share class as applicable to the relevant fund. *Please also see Share class definition.*

Unit trust

A type of open-ended pooled investment vehicle, or fund, which is structured as a trust. It is split up into equal portions called "units" which belong to the unitholder. The money paid for the units goes into a pool with other investors' money which an investment manager uses to buy financial instruments on behalf of the unitholders, with the aim of generating a return for them.

Value (investment style)

A style of investing that involves buying securities that are trading at a significant discount to their true value in the belief that over time, the asset's relatively low price will rise to more accurately reflect the intrinsic value of the business. Value is measured by a company's cash flows, dividends, earnings and assets.

Volatility

A statistical measure of the fluctuations in a security's price or particular market. For example, a highly volatile share experiences greater changes in price than other investments. High volatility is taken as an indication of higher risk.

Yield

A measure of the income return earned on an investment. In the case of a share, the yield is the annual dividend payment expressed as a percentage of the market price of the share. For property, it is the rental income as a percentage of the capital value. For bonds, the yield is the annual interest as a percentage of the current market price.



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