

SCHRODERS CAPITAL

Annual Financial Statements

31 December 2023

Luxembourg



Schroders
capital

Schroders Capital

Annual Financial Statements

For the period ended December 31, 2023

**5 rue Höhenhof
L-1736 Senningerberg
R.C.S. Luxembourg B-273.806**

No subscriptions can be received on the basis of periodical reports. Subscriptions are valid only if made on the basis of the current prospectus, the current Key Investors Information Documents, accompanied by the last available audited annual report or unaudited semi-annual report if published thereafter. This report is based on the current prospectus.

Audited annual and unaudited semi-annual reports, the current prospectus, the KIID and the Articles of Incorporation of the Company are available, free of charge, at the Company's registered office, 5, rue Höhenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg.

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Board of Directors

Eric BERTRAND

Non-Executive Director

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FRN 1914
Malta

Bernard HERMAN

Independent Director

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26 rue Glesenert
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Grand Duchy of Luxembourg

Tim BOOLE

Head of Product Management Private Equity

Schroders Capital Management (Switzerland) AG
Affolternstrasse 56
Zurich, 8050
Switzerland

Administration

Registered Office

Schroders Investment Management (Europe) S.A.

5, rue Höhenhof
L-1736 Senningerberg
Grand Duchy of Luxembourg

Management Company

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5, rue Höhenhof
L-1736 Senningerberg
Grand Duchy of Luxembourg

Investment Manager

Schroders Capital Management (Switzerland) AG

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Switzerland

Depository and Administration Agent

Brown Brothers Harriman (Luxembourg) S.C.A.

80, route d'Esch
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Grand Duchy of Luxembourg

Independent Auditors

Ernst & Young S.A.

35E, Avenue John F. Kennedy
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Principal Legal Adviser

Arendt & Medernach S.A.

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L-2082 Luxembourg
Grand Duchy of Luxembourg

Principal Paying Agent

Brown Brothers Harriman (Luxembourg) S.C.A.

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Registrar and Transfer Agent

Brown Brothers Harriman (Luxembourg) S.C.A.

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Activity Report

As at year-end, the Fund had invested in total of €5,000,000 in three money market funds. No investments were made in private assets.

On 31 December 2023, the Fund's total net assets amounted to €5,188,450. This marks the first year-end reporting for the Fund that launched on December 12, 2022.

The Fund may encounter the following risks during its operations:

Liquidity Risk: There is a risk that the Fund may become illiquid and be unable to meet its obligations.

Interest Rate Risk: The fund may lose value as a direct result of interest rate changes.

Market Risk: The value of the Fund may fluctuate, potentially resulting in investors experiencing losses on their investments.

Performance Risk: There is a risk that the Fund may not achieve its investment objectives, which is influenced by market conditions and the macroeconomic environment.

Operational Risk: There is a risk that operational processes, including those related to the safekeeping of assets, may fail, potentially resulting in losses for the Fund.

The Fund also faces investment and economic uncertainties, such as political instability, trade disputes, and conflicts in different regions. These events can introduce uncertainties to the Fund, particularly if it has exposure to those markets. Such events can impact the performance of investments and create volatility.

There have been no material changes that were not disclosed to investors.

Independent auditor's report

To the Shareholders of
Schroders Capital
5, rue Höhenhof
L-1736 Senningerberg
Grand Duchy of Luxembourg

Opinion

We have audited the financial statements of Schroders Capital (the "Fund") and of its sub-fund, which comprise the statement of net assets and the schedule of investments as at 31 December 2023, and the statement of cash flows, the statement of operations and changes in net assets for the period from 12 December 2022 (date of incorporation) to 31 December 2023, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund and of its sub-fund as at 31 December 2023, and of the results of its operations and changes in its net assets for the period from 12 December 2022 (date of incorporation) to 31 December 2023 in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund’s and of its sub-fund ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or of its sub-fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d’entreprises agréé” for the audit of the financial statements

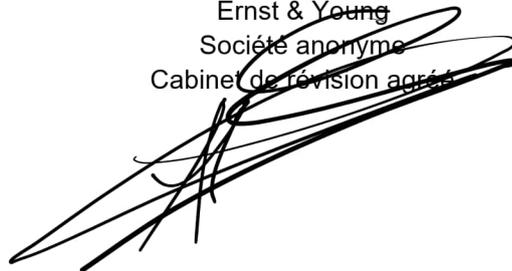
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d’entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's or of its sub-fund ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund or of its sub-fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Lars Stein

Luxembourg, 10 May 2024

Statement of Net Assets

As at December 31, 2023 (in Euro)

	Notes	December 31, 2023
Assets		
Capitalized formation costs and expenses	4	10,704
Investments (cost: EUR 5,000,000)	3	5,026,834
Due from affiliates	7	286,443
Other asset	8	2,983
Cash and short-term deposits	11	402,567
Total assets		5,729,531
Liabilities		
Accrued expenses	12	150,814
Due to service providers	13	315,448
Due to affiliates	10	74,819
Total liabilities		541,081
Net Assets		5,188,450

The accompanying notes form an integral part of these financial statements.

Statement of Operations and Changes in Net Assets

For the period ended December 31, 2023 (in Euro)

	Notes	December 31, 2023*
Income:		
Interest income	14	13,510
Total income		13,510
Expenses:		
Management fees	9	74,819
Amortization of formation costs and expenses	4	2,853
Administrative and other expenses	16	192,952
Professional fees	16	1,380
Tax expenses	15	2,734
Total expenses		274,738
Net movement in unrealised gain:		
Unrealised result on investment in liquid assets	3,6	26,834
Unrealised result on translations in foreign currency		1
Net realised and movement in unrealised gain		26,835
Decrease in net assets attributable to the shareholders		
Subscriptions	5	5,422,843
Net assets at the beginning of the period		-
Net assets at the end of the period		5,188,450

* For the period from December 12, 2022 to December 31, 2023
The accompanying notes form an integral part of these financial statements.

Schedule of Investments

As at December 31, 2023 (in Euro)

Investments	Investment focus	Cost Value (EUR)	Fair Value (EUR)	Fair Value as a Percentage of Total Assets
Investments in Liquid Assets				
BNP INSTICASH-EUR 1D -I /EUR/	Mutual Fund	2,000,000	2,003,606	35.34%
GS EURO LIQ RES-INST ACC /EUR/	Mutual Fund	2,000,000	2,020,087	35.63%
MSLF EURO LIQ-INST ACC D /EUR/	Mutual Fund	1,000,000	1,003,141	17.69%
Total Liquid Asset Investments		5,000,000	5,026,834	88.66%
Total Investments		5,000,000	5,026,834	88.66%

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the period ended December 31, 2023 (in Euro)

	Notes	December 31, 2023*
Cash flows from operating activities:		
Decrease in net assets attributable to the shareholders		(234,393)
Adjustments for:		
Purchases of Liquid Assets	3	(5,000,000)
Net unrealized gain on Liquid assets	3,6	(26,834)
Capitalized formation costs and expenses	4	(13,557)
Change in amortization of capitalized formation costs and expenses	4	2,853
Change in other receivables	8	(2,983)
Change in due to service providers	13	315,448
Change in due from affiliates	7	(286,443)
Change in due to affiliates	9	74,819
Change in accrued expenses	12	150,814
Net cash used in operating activities		(5,020,276)
Cash flows from financing activities:		
Subscriptions from shareholders	5	5,422,843
Net cash provided by financing activities		5,422,843
Net increase in cash and cash equivalents		402,567
Cash at the beginning of the period		-
Cash at the end of the period	11	402,567

* For the period from December 12, 2022 to December 31, 2023
The accompanying notes form an integral part of these financial statements.

Statement of Changes in the Number of Shares

For the period ended December 31, 2023 (in Euro)

	Shares outstanding as at December 12, 2022 (date of incorporation)	Shares issued during the period	Shares redeemed during the period	Shares outstanding as at December 31, 2023
Share class A EUR	-	29,811.84	-	29,811.84
Share class A1 EUR	-	7,592.70	-	7,592.70
Share class C EUR	-	2,050.00	-	2,050.00
Share class E EUR	-	10,000.00	-	10,000.00
Share class EA EUR	-	399.90	-	399.90
Share class S EUR	-	750.00	-	750.00
Share class Y EUR	-	3,624.00	-	3,624.00

The accompanying notes form an integral part of these financial statements.

Statistical Information

As at December 31, 2023

	Net Asset Value per Share in Share Class Currency
	December 31, 2023
Share class A EUR	95.5505
Share class A1 EUR	95.0985
Share class C EUR	96.3039
Share class E EUR	96.4170
Share class EA EUR	95.5882
Share class S EUR	96.4170
Share class Y EUR	95.3998

The accompanying notes form an integral part of these financial statements.

Notes to the Annual Financial Statements

For the period ended December 31, 2023

NOTE 1 – General Description of the Fund

Schroders Capital (the “Fund”) is a public limited liability company (Société anonyme – S.A.) incorporated on December 12, 2022 (the “Date of Incorporation”) under the laws of the Grand Duchy of Luxembourg as an investment company with variable share capital (Société d’investissement à capital variable) and qualifies as an alternative investment fund (“AIF”) within the meaning of the Alternative Investment Fund Managers Directive (the “AIFMD”). The Fund is subject to part II of the law of 17 December 2010 relating to undertakings for collective investment, as amended or supplemented from time to time (the “2010 Law”). The Fund is registered with the Luxembourg Trade and Companies’ Register under number B-237 806. As defined in the Prospectus the Fund is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Fund are shares in a specific Sub-Fund. The Fund may issue Shares of different Share Classes in each Sub-Fund. Such Share Classes may each have specific characteristics. Certain Share Classes may be reserved to certain categories of Shareholders. Prospective Shareholders should refer to the relevant supplement of the prospectus (the “Supplement”) for further information on characteristics of Share Classes. The Fund has been authorized by the Commission de Surveillance du Secteur Financier (the “CSSF”) on December 12, 2022.

As defined in the Prospectus, the Fund has been established as an umbrella structure under the name of Schroders Capital S.A.-SICAV and as at December 31, 2023 it is comprised of one (1) Sub-Fund as follows:

	Sub-fund	Launch
PRIVATE EQUITY ELTIF 2023*	Fund 2023	December 12, 2022

* The Fund 2023 is an open-ended sub-fund and has an eight-year life as from its Final Closing Date, which may be extended by the Board of Directors by up to two (2) one-year periods as per Prospectus.

One or more Sub-Fund(s) may further qualify as a European Long Term Investment Fund (the “ELTIF”) under the ELTIF Regulation. In accordance with article 31(2) of the ELTIF Regulation and article 32 of the AIFMD, the AIFM has applied for and received a marketing passport under the AIFMD to market the Shares to both professional investors and retail investors in the European Economic Area in respect of those Sub-Funds that qualify as ELTIFs.

Each Sub-Fund represents a portfolio containing different assets and liabilities and is considered to be a separate entity in relation to the Shareholders and third parties. The rights of Shareholders and creditors concerning a Sub-Fund, or which have arisen in relation to the establishment, operation or liquidation of a Sub-Fund are limited to the assets of that Sub-Fund. No Sub-Fund will be liable with its assets for the liabilities of another Sub-Fund.

Fund 2023

The investment objective of Private Equity ELTIF 2023 (the “Fund 2023”) is to provide capital growth over the life of the Fund by investing in a diversified range of private equity investments in companies domiciled, located or operating in EEA countries.

The Fund has been established in line with the aims of the ELTIF Regulation as set out in recital 1 of the ELTIF Regulation. The Fund will raise and invest funds in accordance with the EU objective of smart, sustainable and inclusive growth as per Article 1(2) of the ELTIF Regulation.

The Fund will invest at least 70% of its Capital directly or indirectly in private equity opportunities that qualify as ELTIF Eligible Investment Assets. The Fund may also invest in UCITS Eligible Assets, including but not limited to open-ended Investment Funds.

The Private Equity ELTIF 2023 First Closing occurred on March 31, 2023. The Final Closing for the Private Equity ELTIF 2023 is planned to June 30, 2024.

The Fund has received the contribution from Schroder Private Assets Holdings Limited (the “Incorporating Shareholder”).

The Fund is managed by the board of directors (the “Board of Directors”) who manage and represent the Fund. Schroders Investment Management (Europe) S.A. acts as the Alternative Investment Manager of the Fund (the “AIFM”).

Schroders Capital Management (Switzerland) AG has been appointed as the Investment Manager of the Fund (the “Investment Manager”).

Brown Brothers Harriman (Luxembourg) S.C.A. has been appointed as depositary to the Fund and Sub-Funds (the “Depositary”) and administrative agent (the “Administrator”).

Capitalized terms are as defined in the Prospectus of the Fund.

The Fund’s financial year will end on December 31 each year.

The annual financial statements were authorized for issuance by the Board of Directors on April 22, 2024.

Notes to the Annual Financial Statements

For the period ended December 31, 2023 (cont)

NOTE 2 – Significant accounting policies and valuation rules

a) Basis of Presentation

The financial statements are presented in accordance with the legal reporting requirements and generally accepted accounting principles applicable to investment funds in Luxembourg. Accounting policies and valuation rules are, besides the ones laid down by applicable laws, determined and applied by the Board of Directors of the Fund.

In preparing these financial statements, management has made judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The financial statements have been presented for the period from December 12, 2022 (Date of Incorporation) to December 31, 2023. There are no comparative figures as this is the first period of preparation.

The Fund 2023's financial year begins each year on January 1 and ends on December 31, except for the first financial year which started on December 12, 2022.

b) Foreign currency translation

The Fund 2023 maintain its accounts in Euro ("€" or "EUR") and the financial statements are presented in Euro.

All amounts expressed in these financial statements have been rounded to the nearest euro unless otherwise indicated.

All assets and liabilities denominated in a currency other than Euro are translated into Euro at the exchange rate prevailing on the balance sheet date. Income and charges denominated in a currency other than Euro are translated into Euro at the exchange rate prevailing on the transaction date.

The exchange rates used for translation of accounts that are denominated in a currency other than EUR as at December 31, 2023 are as follows:

1 EUR = 1.10465 USD

1 EUR = 11.1325 SEK

c) Net asset value

The Net Asset Value per share for each share class shall be calculated by dividing the net assets attributable to each share class of the Fund 2023 (which shall be equal to the assets minus the liabilities attributable to the Fund 2023) by the number of shares of such share class issued and in circulation in the Fund 2023, in accordance with the valuation rules set forth in the Prospectus and Luxembourg Generally Accepted Accounting Principles applicable to investment funds.

The first Net Asset Value per share will be calculated on the final closing date of the Fund.

d) Valuation of investment in liquid assets

Investment in liquid assets is valued at fair value. The fair value of these financial instruments corresponds to the latest available quote on the valuation day for transferable securities listed on a stock exchange or traded on another regulated market.

The change in fair value of transferable securities is recorded in the Statement of Operations and Statement of Changes in Net Assets.

e) Capitalized formation costs and expenses

Formation costs and expenses will be amortized over a period of five (5) years. Costs are incurred only up to the limit defined in prospectus, being 0.25% of total Commitment.

f) Accrued expenses

Accrued expenses are derecognized when the obligation specified in the contract is discharged, cancelled, settled or expired or the primary responsibility for the liability is legally transferred to another party. Accrued expenses are recorded at their reimbursement value.

Notes to the Annual Financial Statements

For the period ended December 31, 2023 (cont)

NOTE 2 – Significant accounting policies and valuation rules (continued)

g) Cash and short-term deposits

Cash comprises cash on hand and short-term deposits. Short-term deposits are highly liquid investments, with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

h) Other income and expenses

Except as otherwise specified in the relevant Supplement to Prospectus, Fund 2023 will bear all costs relating to its establishment and operations.

Other income and expenses are borne by Fund 2023, as appropriate, based on where they are attributable, as determined by the AIFM.

Operating expenses are recognized on an accrual basis. Operating expenses include amounts directly incurred by Fund 2023 as part of its operations and do not include amounts incurred from the operations of the underlying investment.

NOTE 3 – Investments

During the period ended December 31, 2023 Fund 2023 has invested into liquid assets. As at December 31, 2023 the Sub-Fund has made following investments:

	December 31, 2023
	EUR
Fair value at the beginning of the period	-
Changes in the period:	
Contributions	5,000,000
Distributions	-
Net realized gain/(loss)	-
Fair value adjustment	26,834
Fair value at the end of the period	5,026,834

NOTE 4 – Capitalized formation costs and expenses

Capitalized formation costs and expenses for the period ended December 31, 2023 are as follows:

	December 31, 2023
	EUR
Costs	
At the beginning of the period	-
Additions for the period	13,557
At the end of the period	13,557
Accumulated amortization	
At the beginning of the period	-
Amortization for the period	(2,853)
At the end of the period	(2,853)
Net book value	
At the beginning of the period	-
At the end of the period	10,704

The formation costs were recognized and amortized during the period from December 12, 2022 (date of incorporation) to December 31, 2023.

NOTE 5 – Share capital

The share capital of the Fund is represented by 30 fully paid-up Shares valued €1,000 each. This incorporation capital was paid back to Schroder Private Assets Holding LTD on April 25, 2023. The Fund is required to maintain its net assets at no

Notes to the Annual Financial Statements

For the period ended December 31, 2023 (cont)

NOTE 5 – Share capital (continued)

less than €1,250,000. Such minimum capital must be reached within a period of six months after the date on which the Fund has been authorized as an investment company with variable share capital under the 2010 Law.

The minimum capital has been reached on September 15, 2023.

As defined in the Prospectus the investors can subscribe funds in Fund 2023 within eighteen different share classes. As at December 31, 2023 seven Euro share classes have been subscribed by the investors.

The Net Asset Value per Share shall be expressed in the Reference Currency of the Share Class and may be rounded up or down to four decimal places.

As per Articles of Incorporation the Fund is incorporated with an initial share capital of 30,000 EUR, represented by thirty shares. These shares are at the Fund level only and not assigned to any of the Sub-Funds.

Movements in the number of shares outstanding during the year, and shares outstanding, net assets and net asset value as at December 31, 2023 for Fund 2023 are detailed in Statement of Change in the Number of Shares (page 15) and Statistical Information (page 16).

Commitments

The aggregate capital commitments as at December 31, 2023 of Fund 2023 amounts to €5,422,843 and unfunded capital commitments amounts to € nil.

Shares in the Fund 2023 are available for subscription on each Closing Date at the Total Subscription Amount up until the Final Closing Date. There were 9 closings during 2023, the last closing for the period ended December 31, 2023 was on December 15, 2023. During the period commencing on the admission to the Fund 2023 on a Closing Date and ending on the date two weeks later, any Retail Investor admitted to the Fund 2023 may, by written notice to cancel subscription without penalty (called “Cooling-off period”). As of December 31, 2023, no shares were cancelled in accordance with the cooling-off period.

NOTE 6 – Classification of realized gain (loss) and unrealized gain (loss)

In accordance with article 104(2) of the Commission Delegated Regulation (EU) No 231/2013 the Sub-Fund is required to disclose additional information on the classification of the balances presented within net realized gain (losses) on investment presented on the Statement of Operations and Statement of Changes in Net Assets and the accumulated net unrealized appreciation (depreciation) of investments presented on the Statement of Net Assets.

As of December 31, 2023 the balances include following:

	December 31, 2023
	EUR
Realized gains on investments	-
Realized losses on investments	-
Net realized gains (losses) on investments	-
Unrealized gain on investments	26,834
Unrealized loss on investments	-
Net unrealized appreciation (depreciation) on investments	26,834

Note 7 – Due from affiliates

As at December 31, 2023 due from affiliates amounted to €286,443 and were entirely composed of amounts due from AIFM related to formation expenses not capitalized. According to prospectus, formation expenses can be capitalized only up to the limit of 0.25% of total Commitment, with remaining amount being recoverable from AIFM. As at December 31, 2023 this limit amounted to €13,557.

NOTE 8 – Other asset

As at December 31, 2023 other assets amounted to €2,983 and were entirely composed of prepaid legal fees.

Notes to the Annual Financial Statements

For the period ended December 31, 2023 (cont)

NOTE 9 – Management fees

The management fees comprise all fee payments to the Investment Manager, including any person to whom this function has been delegated, except the fees that are related to the acquisition of assets.

The Fund 2023 management fees are charged as a percentage of a Net Asset Value per Share Class, with exception of period commencing on the First Closing date until the Final Closing date, when management fee should be charged as percentage of the Commitment of respective Share Class. The Investment Manager will charge such Management Fees quarterly in advance. The Management Fees shall accrue beginning of the First Closing Date and will be payable for each quarter period beginning January 1, April 1, July 1 and October 1 after the First Closing Date.

For the period ended December 31, 2023, management fees charged by the Fund 2023 amounted to €74,819.

Management fee rates for Fund 2023:

	Management fee rate
Share class A EUR	2.00%
Share class A1 EUR	2.60%
Share class B EUR	2.00%
Share class C EUR	1.00%
Share class E EUR	0.85%
Share class EA EUR	1.95%
Share class E1 EUR	2.55%
Share class EB EUR	1.95%
Share class I EUR	None
Share class IE EUR	0.85%
Share class IZ EUR	1.00%
Share class S EUR	0.85%
Share class Y EUR	Up to 2.20%
Share class Y1 EUR	Up to 1.00%
Share class Y2 EUR	Up to 1.00%
Share class Y3 EUR	Up to 1.00%
Share class Y4 EUR	Up to 1.00%
Share class Y5 EUR	Up to 1.00%

NOTE 10 – Due to affiliates

At December 31, 2023, due to affiliates amounts to €74,819 consists entirely of management fees for the period since December 12, 2022 to December 31, 2023.

NOTE 11 – Cash and short-term deposits

At December 31, 2023, short-term deposits amounting to €402,567 have been made for varying periods of between one day and three months, depending on the immediate cash requirements of the Fund, and earn interest at the respective short-term deposit rates.

NOTE 12 – Accrued expenses

At December 31, 2023, accrued expenses were composed as below:

	December 31, 2023
	EUR
Accrued custodian fees	33,900
Accrued audit fees	23,200
Accrued accounting fees	37,500
Accrued administration fees	45,000
Accrued other professional fees	3,482
Accrued domiciliation fees	4,998
Accrued subscription tax	2,734
At the end of the period	150,814

Notes to the Annual Financial Statements

For the period ended December 31, 2023 (cont)

NOTE 13 – Due to service providers

As at December 31, 2023 due to service providers amounted to €315,448 and were mostly related to unsettled legal fees.

NOTE 14 – Interest income

At December 31, 2023, interest income on current bank accounts amounted to €13,510 at the level of Fund 2023.

NOTE 15 – Taxation

The Fund is domiciled in Luxembourg. Under current Luxembourg law and practice, the Fund is not liable to any Luxembourg income or net wealth tax nor are distribution, redemption or payment made by the Fund to its Shareholders under the Shares and distribution of liquidation proceeds subject to any Luxembourg withholding tax.

Each Sub-Fund is liable to a subscription tax (“Taxe d’abonnement”) of 0.05% per annum of its NAV, such tax being payable quarterly on the basis of the value of the aggregated net assets of the Fund at the end of the relevant calendar quarter.

As at December 31, 2023 subscription tax amounted to €2,734.

NOTE 16 – Professional fees, administrative and other expenses

At December 31, 2023, administrative and other expenses consisted of:

	December 31, 2023
	EUR
Audit fees	23,200
Accounting fees	37,500
Administration fees	33,750
Custodian fees	33,900
Domiciliation fees	4,998
Transfer agency fees	11,250
Director fees	25,208
Other professional fees	11,634
Other insurances	11,315
Other commissions and fees	197
For the period ended on December 31, 2023	192,952

For the period ended on December 31, 2023 other professional fees were composed of legal fees amounting to €1,380 in Fund 2023.

16.1 Depository and administrator expenses

Brown Brothers Harriman (Luxembourg) S.C.A. (the “Depository”) is entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg. The Depository is entitled to transaction fees charged on the basis of the investments made by each Sub-Fund consistent with market practice in Luxembourg. Fees paid to the Depository may vary depending on the nature of the investments of each Sub-Fund and the countries and/or markets in which the investments are made. The Depository is entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Brown Brothers Harriman (Luxembourg) S.C.A. (the “Administrator”) is entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class consistent with market practice in Luxembourg. The Administrator is entitled to reimbursement of reasonable out-of-pocket expenses properly incurred in carrying out its duties.

Further fees may be payable to the Depository and the Administrator in consideration of ancillary services rendered to the Fund and relating to the core services of the Depository and the Administrator

Notes to the Annual Financial Statements

For the period ended December 31, 2023 (cont)

NOTE 16 – Professional fees, administrative and other expenses (continued)

16.2 Directors' fees and expenses

The members of the Board of Directors may be entitled to receive a fee in consideration for their function. The Fund will also reimburse the members of the Board of Directors for appropriate insurance coverage and expenses and other costs incurred by the members of the Board of Directors in the performance of their duties, including reasonable out-of-pocket expenses, traveling costs incurred to attend meetings of the Board of Directors, and any costs of legal proceedings unless such costs are caused by intentional or grossly negligent conduct by the member of the Board of Directors in question.

Director fees have been waived starting from October 1, 2023 (i.e., starting from the fourth quarter of 2023).

As at December 31, 2023 total amount expensed for director fees was €25,208.

NOTE 17 – Carried interest

No carried interest is recognized at the level of the Fund 2023 as at December 31, 2023.

As defined in the Prospectus, Investment Proceeds and any other amounts that remain available for distribution shall be apportioned amongst the Shareholders of the Fund based on their respective shareholdings and the number of Shares held. Distribution shall be accumulated and paid to the Shareholders on a quarterly basis, unless otherwise determined by the Board of Directors. All amounts distributed to Shareholders shall be paid in the currency of their original subscription. Redemptions for purposes of distributions at the election of the Board of Directors may be made at any time. The Board of Directors may approve a partial or full redemption of Shares in respect of some or all Share Classes. Amounts available for distribution will be allocated to and between the Shareholders (pro rata to their applicable Subscription Capital Amount) and the Investment Manager (except in relation to I Shares, where all proceeds after deduction of any applicable fees will be allocated to Shareholders holding I Shares) in the following order of priority:

- (a) first, one hundred per cent (100%) to each Shareholder until it has received an amount equal to Subscription Capital Amount not yet returned;
- (b) second, one hundred per cent (100%) to each Shareholder in proportion to their Subscription Capital Amount until it has received the preferred return (being an 8% annual non-compounded interest on any positive sum of (i) each Shareholder's Subscription Capital Amount less (ii) the amount distributed by the Fund to such Shareholder);
- (c) third, one hundred per cent (100%) to the Investment Manager until the Investment Manager has received aggregate distributions in an amount equal to 12.5% of the sum of the amount distributed pursuant to (b) above and this (c);
- (d) finally, the balance will be split 87.5% to the Shareholders in proportion to their Subscription Capital Amount and 12.5% to the Investment Manager.

NOTE 18 – Subsequent events

Fund 2023 had three closings after the reporting date:

- 1) on January 15, 2024 and received subscriptions of €1,348,571;
- 2) on February 15, 2024 and received subscriptions of €2,610,037;
- 3) on March 15, 2024 and received subscriptions of €5,824,673.

Fund 2023 had also made additional investments in Mutual Funds in total amount of €10,000,000.

AIFMD Disclosure (Unaudited)

AIFMD remuneration disclosures for Schroder Investment Management Europe S.A. ('SIM Europe') for the year to 31 December 2023

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 74 to 93 of the 2023 Annual Report & Accounts (available on the Group's website – www.schroders.com/ir) which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

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

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the AIFMD Directive are met for all AIF MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SIM Europe are responsible for the adoption of the remuneration policy and periodically reviewing its implementation in relation to SIM Europe. During 2023 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

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

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

The remuneration data that follows reflects amounts paid in respect of performance during 2023.

- The total amount of remuneration paid by SIM Europe to its 342 staff was €57.71 million of which €40.07 million was fixed remuneration (e.g. salaries, benefits in kind) and €17.64 million was variable remuneration (e.g. annual bonus awards or deferred bonus awards). Employees of other Schroders Group entities who serve as Directors of SIM Europe receive no additional fees in respect of their role on the Board of SIM Europe.
- The following disclosures relate to AIF MRTs of SIM Europe. Most of those AIF MRTs were employed by other Schroders group companies, including as a result of delegation by SIM Europe of investment management or other responsibilities to other Schroders group entities or third parties. Many of those AIF MRTs provide services to other Schroders group companies and other clients. In the interests of transparency, the aggregate remuneration figures that follow reflect the full remuneration for each SIM Europe AIF MRT. The aggregate total remuneration paid to the 140 AIF MRTs of SIM Europe in respect of the financial year ended 31 December 2023 is €114.90 million, of which €51.27 million was paid to senior management, €60.99 million was paid to MRTs deemed to be taking risk on behalf of SIM Europe or the AIF funds that it manages and €2.64 million was paid to other AIF MRTs including control function MRTs. Those total remuneration values include amounts paid by delegates where available.

For additional qualitative information on remuneration policies and practices see www.schroders.com/rem-disclosures.

Sustainable Finance Disclosure (Unaudited)

SFDR Periodic Report

Reference Period: 1 January 2023–31 December 2023

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product: Private Equity ELTIF 2023

Legal Entity Identifier: 549300IWSABOWXELHJ10

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective : __%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of __% of sustainable investments
<input type="checkbox"/> In economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="checkbox"/> With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input checked="" type="checkbox"/> With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
<input type="checkbox"/> It made sustainable investments with a social objective : __%	<input checked="" type="checkbox"/> With a social objective
	<input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments

Sustainable Finance Disclosure (Unaudited) (continued)

The EU Taxonomy is a classification system laid down in Regulation (EU) 2020/852 establishing a list of environmentally sustainable economic activities. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.



To what extent were the environmental and/or social characteristics promoted by this financial product met?

In 2023, the Fund was in the ramp-up phase as it has been launched in February 2023. The total assets of the Fund amounted USD 5,422,754. During the reporting period, the fund invested in neutral investments under its sustainability criteria, such as cash and other money market instruments. This accounted for 100% of the investments. No other investments were made by the Investment Manager during the reporting period. Therefore, 100% of assets are reported under “#2 Other” as neutral assets.

How did the sustainability indicators perform?

Given there have been no investments made during the reference period, this question is not applicable.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

...and compared to previous periods?

As this is our first reporting period, this question is not applicable.

What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

Given there have been no investments made during the reference period, this question is not applicable.

How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?

Given there have been no investments made during the reference period, this question is not applicable.

Principal adverse impacts are the most significant negative impacts of investment

Sustainable Finance Disclosure (Unaudited) (continued)

decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

How were the indicators for adverse impacts on sustainability factors taken into account?

Given there have been no investments made during the reference period, this question is not applicable.

Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Given there have been no investments made during the reference period, this question is not applicable.

The EU Taxonomy sets out a 'do not significant harm' principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.

The 'do no significant harm' principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



How did this financial product consider principal adverse impacts on sustainability factors?

Given there have been no investments made during the reference period, this question is not applicable.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: **1 Jan 2023 to 31 Dec 2023**

Largest Investments	Sector	% Assets	Country
BNP PARIBAS INSTICASH EUR 1D SHORT TERM VNAV	Collective Investments	32	Luxembourg
GOLDMAN SACHS FUNDS PLC - EURO LIQ /EUR/ CL	Collective Investments	32	Ireland
Morgan Stanley Liquidity Funds Euro Liquidity Fund	Collective Investments	35	Luxembourg

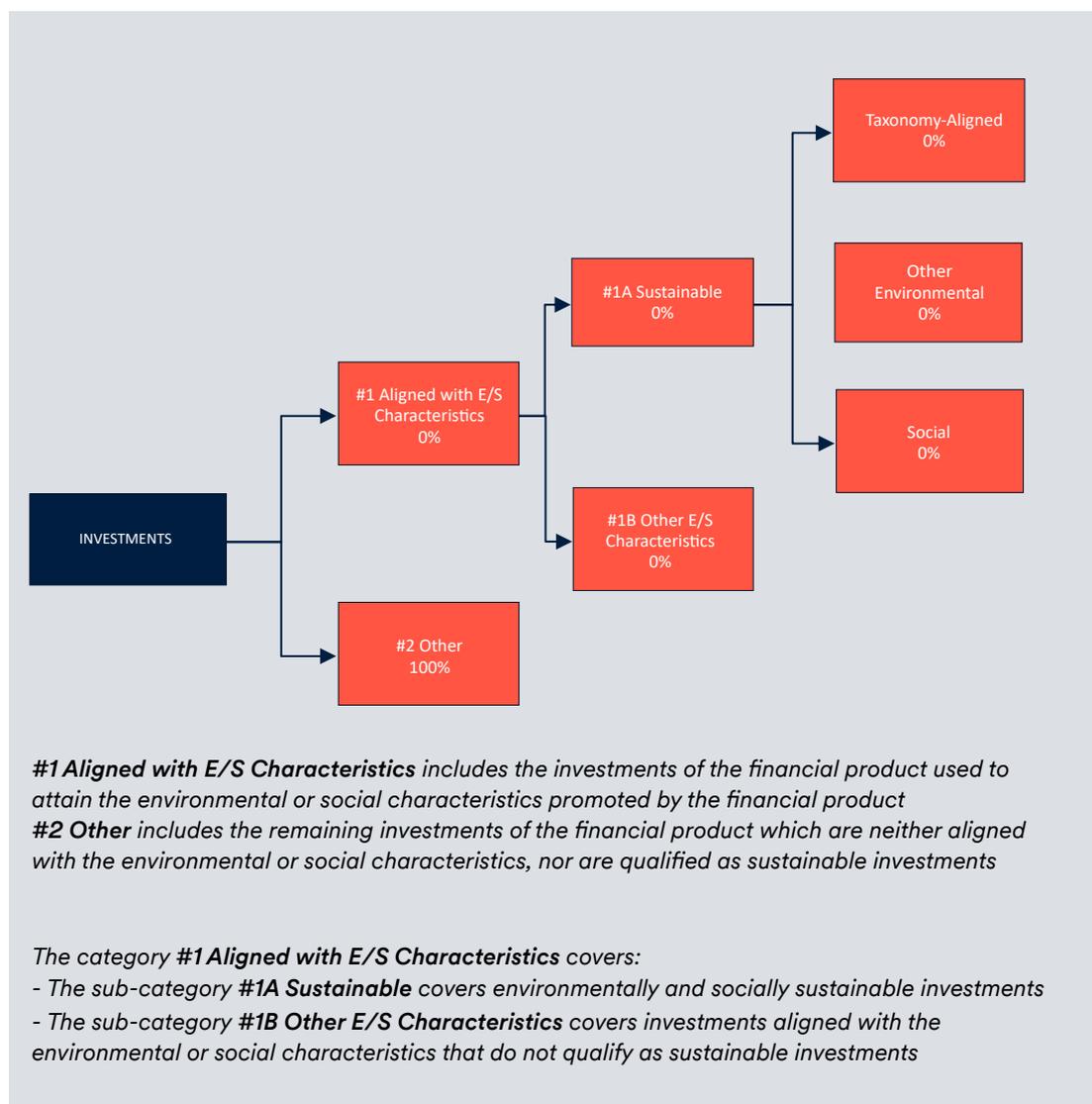


What was the proportion of sustainability-related investments?

Sustainable Finance Disclosure (Unaudited) (continued)

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



In which economic sectors were the investments made?

The Fund was in ramp up in 2023 and made three investments in neutral assets.

Sector	Sub-Sector	% Assets
Collective Investments	Cash	100



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

There was no extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective were aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

Sustainable Finance Disclosure (Unaudited) (continued)

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?

Yes:

In fossil gas

In nuclear energy

No

¹Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ('climate change mitigation') and do no significant harm to any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

Sustainable Finance Disclosure (Unaudited) (continued)

Taxonomy-aligned activities are expressed as a share of:

Turnover
reflecting the share of revenue from green activities of investee companies

Capital expenditure (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.

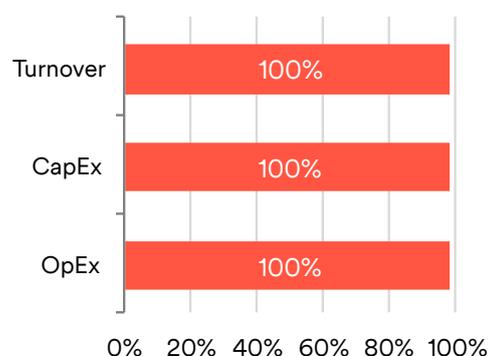
Operational expenditure (OpEx) reflecting green operational activities of investee companies.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are economic activities for which low-carbon alternatives are not yet available and that have greenhouse gas emission levels corresponding to the best performance.

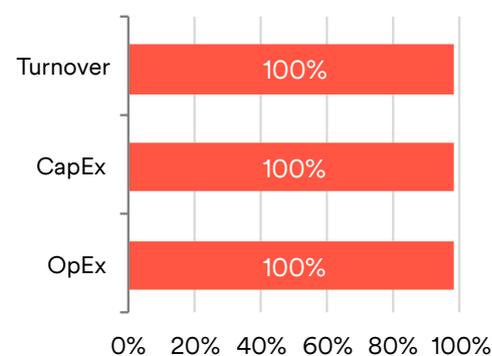
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds², the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments including sovereign bonds²



■ Taxonomy-aligned: No gas or nuclear
■ Non Taxonomy-aligned investments

2. Taxonomy-alignment of investments excluding sovereign bonds²



■ Taxonomy-aligned: No gas or nuclear
■ Non Taxonomy-aligned investments
This graph represents 100% of the total investments

What was the share of investments made in transitional and enabling activities?

0%

How did the percentage of investments aligned with the EU Taxonomy compare with previous reference periods?

As this is our first reporting period, this question is not applicable.

²For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

Sustainable Finance Disclosure (Unaudited) (continued)



are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.



What was the share of sustainable investments with an environmental objective that were not aligned with the EU Taxonomy?

0%



What was the share of socially sustainable investments?

0%



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

Other includes investments that were treated as neutral for sustainability purposes, which were cash and money market instruments.

Minimum safeguards were applied where relevant to investments by restricting (as appropriate) investments in counterparties where there were ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties were reviewed by Schroders' credit risk team and approval of a new counterparty was based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring was performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges.

Schroders' credit risk team monitored the counterparties and during the reference period a number of counterparties were removed from the approved list for all funds in line with our policy and compliance requirements. This meant that such counterparties were ineligible for use by the Fund in respect of any relevant investments from the date they were removed.



What actions have been taken to attain the sustainable investment objective during the reference period?

Given there have been no investments made during the reference period, this question is not applicable.



How did this financial product perform compared to the reference sustainable benchmark?

Sustainable Finance Disclosure (Unaudited) (continued)

Reference benchmarks are indexes to measure whether the financial product attains the sustainable objective.

No index was designated as a reference benchmark for the purpose of attaining the sustainable investment objective of the Fund.

How did the reference benchmark differ from a broad market index?

This question is not applicable for this Fund.

How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the sustainable investment objective?

This question is not applicable for this Fund.

How did this financial product perform compared with the reference benchmark?

This question is not applicable for this Fund.

How did this financial product perform compared with the broad market index?

This question is not applicable for this Fund.

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