SCHRODERS CAPITAL

Annual Financial Statements

31 December 2024

Luxembourg

Schroders capital

Schroders Capital

Annual Financial Statements

For the year ended 31 December 2024

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.

This material must not be issued in any jurisdiction where prohibited by law and must not be used in any way that would be contrary to local law or regulation.

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Board of Directors

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Tim BOOLE
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Sascha STEINHARDT
Head of Product Control (effective 25 July 2024)
Schroder Investment Management (Europe) S.A.
5, rue Höhenhof,
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Wim NAGLER
Head of Insurance, EMEA (effective 25 July 2024)
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75008 Paris
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Administration

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Management Company
Schroder Investment Management (Europe) S.A.
5, rue Höhenhof
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Investment Manager
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Depositary and Administration Agent
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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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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

Private Equity ELTIF 2023 ("Fund 2023")

On 31 December 2024, the Fund's total net assets amounted to € 64,433,756.96. Thereof, the Fund 2023 holds € 21,809,630.50 in private equity investments and four money market fund in total value of € 39,472,757.91.

Fund 2023 received total of €64,151,111.22 in subscriptions since launch.

As at year-end, Fund 2023 had invested in total of 16 investments, including those on a look-through basis in Europe Direct III. It has invested in high-quality businesses with strong return potential, all acquired since 2022. Several of these portfolio holdings are well into their value creation phase, with several already surpassing their investment case, contributing positively to the overall Fund 2023 portfolio. Furthermore, Schroders Capital continues the funds deployment activities and sees steady strong deal flow.

In 2024, private equity is experiencing positive momentum with normalized deal and exit volumes globally. In summary:

- Healthy correction in fundraising suggests reduced competition for deals and more attractive entry valuations
- Deal activity remains steady, with potential for rebound as rates decrease
- Exit activity has stabilized, particularly in sponsor-to-sponsor exits, though trade sales have yet to recover
- Small-mid buyouts present attractive opportunities, with multiples at steep discount to large buyouts and public small-caps

These signs of healthy moderation in the private equity market activity may create further promising opportunities for 2025.

There are no other material changes to be disclosed.

Fund 2023 may encounter the following risks during its operations:

Market risk: The value of investments can go up and down and an investor may not get back the amount initially invested.

Tax risk: Fund 2023 and its returns may rely on certain available tax efficiencies at the inception of Fund 2023 which may be subject to changes in tax treatment or interpretations. Any change in the actual or perceived tax status or exposure of Fund 2023 or its investments as well as in tax legislation, practice or in accounting standards could adversely affect the anticipated level of taxation.

Currency risk: If the fund's investments are denominated in currencies different to the fund's base currency, Fund 2023 may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates. If the investor holds a share class in a different currency to the base currency of Fund 2023, investors may be exposed to losses as a result of movements in currency rates.

Interest rate risk: Fund 2023 may lose value as a direct result of interest rate changes.

Liquidity risk: Fund 2023 invests in illiquid instruments, which are harder to sell. Illiquidity increases the risks that Fund 2023 will be unable to sell its holdings in a timely manner in order to meet its financial obligations at a given point in time. It may also mean that there could be delays in investing committed capital into the asset class.

Operational risk: Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to Fund 2023.

Performance risk: Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.

Private Equity risk: Private equity strategies are subject to a variety of risk conditions, including, but not limited to, the risk that too much is paid for acquiring a business, new or unproven management, new or less mature business strategies or unsuccessful integration with existing businesses.

Private Market Valuations: In times of stress it may be difficult to find appropriate prices for private asset investments and they may be valued on the basis of proxies or estimates. This may lead to significant changes in the valuation of Fund 2023, or the inability to determine a reliable net asset value which may lead to a suspension of Fund 2023.

Sustainability risk: Fund 2023 has environmental and/or social characteristics. This means it may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the investment manager. Fund 2023 may invest in companies that do not reflect the beliefs and values of any particular investor.

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Ernst & Young
Société anonyme

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Autorisations d'établissement :
00117514/13, 00117514/14, 00117514/15, 00117514/17, 00117514/18, 00117514/19

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 2024, the statement of cash flows, the statement of operations and changes in net assets for the year then ended, 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 2024, and of the results of its operations and changes in its net assets for the year then ended 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.

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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 and of its sub-fund’s 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.

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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 the Board of Directors of the Fund's 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 or of its sub-fund's 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 and 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, 6 June 2025

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Statement of Net Assets

As at 31 December 2024 (in Euro)

	Notes	31 December 2024
Assets		
Capitalised formation costs and expenses	4	94,469
Investments (cost: EUR 58,550,219)	3	61,282,388
Due from affiliates	7	349,802
Cash and short-term deposits	10	5,750,465
Total assets		**67,477,124**
Liabilities		
Accrued expenses	11	462,589
Due to service providers	12	394,183
Due to affiliates	9	2,186,596
Total liabilities		**3,043,368**
Net assets		**64,433,756**

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

Statement of Operations and Changes in Net Assets

For the year ended 31 December 2024 (in Euro)

	Notes	31 December 2024
Income:		
Interest income	13	120,772
Other operating income		48,089
Total income		**168,861**
Expenses:		
Management fees	8	(2,111,777)
Amortisation of formation costs and expenses	4	(63,056)
Administrative and other expenses	15	(436,332)
Professional fees	15	(179,845)
Investment expense	3	(108,558)
Tax expenses	14	(1,000)
Total expenses		**(2,900,568)**
Less: Expense subsidy	7	207,197
Net realised gain/(loss):		
On translations in foreign currency		(1,690)
On investment in Liquid Assets	3,6	348,171
Net movement in unrealised appreciation/(depreciation):		
On investment in Liquid Assets	3,6	697,753
On investment in Private Equity	3,6	2,007,582
On translations in foreign currency		(10,268)
Net realised gain and movement in unrealised appreciation		**3,041,548**
Increase in net assets attributable to the shareholders		**517,038**
Subscriptions	5	58,728,268
Net assets at the beginning of the year		5,188,450
Net assets at the end of the year		**64,433,756**

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

Schedule of Investments

As at 31 December 2024 (in Euro)

Investments	Investment focus	Jurisdictions	Investment Currency	Commitment Called (EUR)	Uncalled commitment (EUR)	Cost Value (EUR)	Fair Value (EUR)	Fair Value as a Percentage of Total Assets
Schroders Capital Private Equity Europe Direct III S.C.S.	Private Equity	Luxembourg	EUR	4,328,463	8,351,537	4,328,462	5,796,114	8.59%
Epione Co-Investment LP.	Private Equity	Guernsey	EUR	2,400,000	-	2,400,000	2,401,781	3.56%
Astorg VIII Co-Invest Acturis	Private Equity	Luxembourg	EUR	3,000,000	-	3,000,000	2,942,671	4.36%
PSC Leto LP	Private Equity	Guernsey	EUR	1,501,389	776,706	1,523,294	1,508,780	2.24%
Santa Co-Investment (No. 1) AB	Private Equity	Sweden	EUR	2,970,000	-	3,000,000	3,048,845	4.52%
Life Sciences Marketing Holdings LP	Private Equity	USA	USD	2,121,734	-	2,121,734	2,683,318	3.98%
Diamant 244. GmbH	Private Equity	Germany	EUR	1,253,910	-	1,253,910	1,252,368	1.86%
HTBA Natural Ingredients Invest, S.L.U.	Private Equity	Spain	EUR	1,760,294	-	1,760,294	1,760,294	2.61%
Diamant 247. GmbH	Private Equity	Germany	EUR	414,354	-	414,354	415,459	0.62%
Total Private Equity Investments				**19,750,144**	**9,128,243**	**19,802,048**	**21,809,630**	**32.32%**
Investments in Liquid Assets								
BNP PARB ITC EUR 1D LVNA / EUR/	Mutual Fund	Luxembourg	EUR	N/A	N/A	9,602,627	9,797,613	14.52%
GS EURO LIQ RES-INST ACC / EUR/	Mutual Fund	Ireland	EUR	N/A	N/A	9,587,029	9,800,696	14.52%
MSLF EURO LIQ-INST ACC D / EUR/	Mutual Fund	Luxembourg	EUR	N/A	N/A	9,805,172	9,990,281	14.81%
JPMLF-JPM EUR LIQ LVNSE/ EUR/	Mutual Fund	Luxembourg	EUR	N/A	N/A	9,753,343	9,884,168	14.65%
Total Liquid Asset Investments						**38,748,171**	**39,472,758**	**58.50%**
Total Investments						**58,550,219**	**61,282,388**	**90.82%**

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

Statement of Cash Flows

For the year ended 31 December 2024 (in Euro)

	Notes	31 December 2024
Cash flows from operating activities:		
Increase in net assets attributable to the shareholders		517,038
Adjustments for:		
Realised (gain)/loss on translations in foreign currency		1,690
Realised (gain)/loss on investment in Liquid Assets		(348,171)
Net unrealised gain on Private Equity	3,6	(2,007,582)
Purchases of Private Equity investments	3,6	(19,802,048)
Purchases of Liquid Assets	3	(59,000,000)
Disposal of the Liquid Assets	3	25,600,000
Net unrealised gain on Liquid Assets	3,6	(697,753)
Capitalised formation costs and expenses	4	(146,821)
Change in amortisation of capitalised formation costs and expenses	4	63,056
Change in other receivables		2,983
Change in due to service providers	12	78,735
Change in due from affiliates	7	(63,359)
Change in due to affiliates	8	2,111,777
Change in accrued expenses	11	311,775
Net cash used in operating activities		**(53,378,680)**
Subscriptions from shareholders	5	58,728,268
Net cash provided by financing activities		**58,728,268**
Exchange rate effect on cash and cash equivalents		(1,690)
Net increase in cash and cash equivalents		5,349,588
Cash at the beginning of the year		402,567
Cash at the end of the year	**10**	**5,750,465**

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

Statement of Changes in the Number of Shares

For the year ended 31 December 2024 (in Euro)

	Shares outstanding as at 31 December 2023	Shares issued during the year	Shares redeemed during the year	Shares outstanding as at 31 December 2024
Share class A EUR	**29,811.84**	107,077.19	-	136,889.03
Share class A1 EUR	**7,592.70**	33,101.66	-	40,694.36
Share class B EUR	**-**	449.64	-	449.64
Share class C EUR	**2,050.00**	20,120.00	-	22,170.00
Share class C EUR (non-voting)	**-**	1,210.00	-	1,210.00
Share class E EUR	**10,000.00**	-	-	10,000.00
Share class EA EUR	**399.90**	-	-	399.90
Share class IZ1 EUR	**-**	155,590.00	-	155,590.00
Share class IZ2 EUR	**-**	204,455.00	-	204,455.00
Share class S EUR	**750.00**	550.00	-	1,300.00
Share class Y EUR	**3,624.00**	63,780.00	-	67,404.00
Share class Y1 EUR	**-**	949.16	-	949.16

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

Statistical Information

As at 31 December 2024

	Net Asset Value per Share in Share Class Currency	
	31 December 2023	31 December 2024
Share class A EUR	95.5505	100.2525
Share class A1 EUR	95.0985	99.2138
Share class B EUR	-	99.2025
Share class C EUR	96.3039	101.9897
Share class C EUR (non-voting)	-	101.9897
Share class E EUR	96.4170	102.2510
Share class EA EUR	95.5882	100.3388
Share class IZ1 EUR	-	100.1312
Share class IZ2 EUR	-	100.9430
Share class S EUR	96.4170	102.4252
Share class Y EUR	95.3998	99.8964
Share class Y1 EUR	-	101.9897

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

1. General Description of the Company

Schroders Capital (the "Company") is a public limited liability company (Société anonyme – S.A.) incorporated on 12 December 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 Company 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 Company is registered with the Luxembourg Trade and Companies' Register under number B-237 806. As defined in the Prospectus the Company is a single legal entity incorporated as an umbrella fund comprised of separate Sub-Funds. Shares in the Company are shares in a specific Sub-Fund. The Company 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 Company has been authorised by the Commission de Surveillance du Secteur Financier (the "CSSF") on 12 December 2022.

As defined in the Prospectus, the Company has been established as an umbrella structure under the name of Schroders Capital S.A.-SICAV and as at 31 December 2024 it is comprised of one (1) Sub-Fund as follows:

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

* The Fund 2023 is a closed-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.

Information about the environmental or social characteristics and sustainable investment objective, as applicable, is available in the Sustainable Finance Disclosure (Unaudited) on pages xx to xx.

The annual financial statements were authorised for issuance by the Board of Directors in June 2025.

Fund 2023

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

Fund 2023 has been established in line with the aims of the ELTIF Regulation as set out in recital 1 of the ELTIF Regulation. Fund 2023 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.

By the end of the Ramp-up period specified in the Prospectus, Fund 2023 will invest at least 55% of its Capital directly or indirectly in private equity opportunities that qualify as ELTIF Eligible Investment Assets. Fund 2023 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 31 March 2023. The Final Closing for the Private Equity ELTIF 2023 was 30 June 2024.

Fund 2023 has received the contribution from Schroder Private Assets Holdings Limited (the "Incorporating Shareholder").

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

Schroders Capital Management (Switzerland) AG has been appointed as the Investment Manager of Fund 2023 (the "Investment Manager").

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

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

1. General Description of the Fund (continued)

The Company's financial year will end on 31 December each year.

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 Company.

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 recognised prospectively.

The financial statements have been presented for the year from 1 January 2024 to 31 December 2024.

b) Foreign currency translation

The Fund 2023 maintain its accounts in Euro ("€" or "EUR") and the financial statements of the Company 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 31 December 2024 are as follows:

1 EUR = 1.0355 USD

1 EUR = 11.4414 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.

Some investments have been subject to valuation development between 31 December 2024 and the completion of the audit in May 2024. Whilst all valuation developments have been captured and processed in compliance with applicable valuation principles when determining the relevant NAV's at valuation dates after 31 December 2024, applicable accounting rules treat such developments as adjusting events and technically require a formal revision of the financial statements.

Therefore, the published NAV's as per 31 December 2024 of Fund 2023 is different from those of the annual report. The reconciliation below explains the difference between published NAV's and audited NAV's:

	31 December 2024
	EUR
Nav calculated in accordance with provisions of the Propspectus using latest available statements received from underlying investments on the NAV calculation date	64,074,202
Adjustment relating to valuation developments of the underlying investments between 31 December 2024 and date of completion of audit	359,554
NAV as per Financial Statements	**64,433,756**

2. Significant accounting policies and valuation rules (continued)

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) Valuation of investment in private equity

Investments in private equity funds will be valued by reference to the most recent Net Asset Value as reported by the relevant manager or by external independent price providers approved by the Company as adjusted for subsequent net capital activity. Investments in third-party managed or sponsored-led private equity direct or co-investments will be valued by reference to the most recent valuation information provided by the relevant manager or lead sponsoring private equity investor or external independent price providers approved by the Company. A fair value adjustment may be made to the valuations received from the managers of the funds into which a Company invests or from external independent price providers approved by the Company in the event of changes affecting underlying holdings. In a similar way, a fair value adjustment may be made to sponsor-led private equity direct or co-investments into which a Company invests in the event of changes affecting the investment, based on information reasonably available at the time the valuation is made and that the Company believes to be reliable. Such changes may include, but are not limited to, FX movements, distributions, material changes in the circumstances of underlying companies or significant movements in public markets. For other direct investments in private equity, the Company will establish its own estimate of fair value determined in good faith and in accordance with generally accepted valuation principles and procedures, and in particular the International Private Equity and Venture Capital Valuation guidelines (IPEV). The valuation methodology will be based on either (i) a market approach (based on the value of comparable entities, applying a multiple) (ii) an income approach based on the cash generated by the relevant entity (iii) a “milestone”, event driven approach, applicable to companies that will not generate income or cash flows for the foreseeable future or (iv) a combination of the aforementioned.

f) Capitalised formation costs and expenses

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

g) Accrued expenses

Accrued expenses are derecognised 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.

h) 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.

i) 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 recognised 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.

3. Investments

As at 31 December 2024 Fund 2023 has made following investments into Liquid Assets:

	31 December 2024
	EUR
Fair value at the beginning of the year	**5,026,834**
Changes in the year:	
Subscription	59,000,000
Redemption	(25,600,000)
Net realised gain	348,171
Fair value adjustment	697,753
Fair value at the end of the year	**39,472,758**

During the year ended 31 December 2024 Fund 2023 has invested into private equity investment. Expenses associated with purchase of the investments amounted to €108,558.

	31 December 2024
	EUR
Fair value at the beginning of the year	**-**
Changes in the year:	
Contributions	19,802,048
Distributions	-
Net realised gain/(loss)	-
Fair value adjustment	2,007,582
Fair value at the end of the year	**21,809,630**

4. Capitalised formation costs and expenses

Capitalised formation costs and expenses for the year ended 31 December 2024 are as follows:

	31 December 2024
	EUR
Costs	
At the beginning of the year	13,557
Additions for the year	146,821
At the end of the year	**160,378**
Accumulated amortisation	
At the beginning of the year	(2,853)
Amortisation for the year	(63,056)
At the end of the year	**(65,909)**
Net book value	
At the beginning of the year	10,704
At the end of the year	**94,469**

The formation costs were recognised and amortised during the period from 12 December 2022 (date of incorporation) to 31 December 2024.

5. Share capital

The initial share capital of the Company 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 25 April 2023. The Company is required to maintain its net assets at no less than €1,250,000. Such minimum capital must be reached within a period of six months after the date on which the Company has been authorised as an investment company with variable share capital under the 2010 Law.

The minimum capital has been reached on 15 September 2023.

5. Share capital (continued)

As defined in the Prospectus the investors can subscribe funds in Fund 2023 within twenty different share classes. As at 31 December 2024 twelve 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 Company is incorporated with an initial share capital of 30,000 EUR, represented by thirty shares. These shares are at the Company 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 31 December 2024 for Fund 2023 are detailed in Statement of Change in the Number of Shares (page 15) and Statistical Information (page 16).

Subscriptions

The aggregate capital subscriptions since launch date to 31 December 2024 of Fund 2023 amounts to €64,151,111 and unfunded capital subscriptions 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 16 closings since inception of Fund 2023, the last closing for the year ended 31 December 2024 was on 16 July 2024. 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 31 December 2024, no shares were cancelled in accordance with the cooling-off period.

6. Classification of realised gain/ (loss) and unrealised appreciation / (depreciation)

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 realised gain (losses) on investment presented on the Statement of Operations and Statement of Changes in Net Assets and the accumulated net unrealised appreciation (depreciation) of investments presented on the Statement of Net Assets.

As of 31 December 2024 the balances include following:

	31 December 2024
	EUR
Realised gains on investments	348,171
Realised foreign currency losses on investments	(1,690)
Net realised gains on investments	**346,481**
Unrealised appreciation on investments	2,705,335
Unrealised foreign currency depreciation on investments	(10,268)
Net unrealised appreciation on investments	**2,695,067**

7. Due from affiliates

As at 31 December 2024 due from affiliates amounted to €349,802 and were entirely composed of amounts due from AIFM related to formation expenses not capitalised and reimbursement of other expenses.

According to the Prospectus, formation expenses can be capitalised only up to the limit of 0.25% of total Subscribed Capital, with remaining amount being recoverable from AIFM. As at 31 December 2024 this limit amounted to EUR 160,378 and since actual formation expenses amounted to EUR 302,983, difference amounted to EUR 142,605 is presented as a receivable from AIFMD.

Reimbursement of other expenses is set as 0.3% of other costs, including administrative, regulatory, depositary, custodial, professional service and audit cost. It is calculated as a ratio of these costs to the capital of the Fund 2023 or to the Subscribed Capital until Initial NAV is calculated. As at 31 December 2024 this reimbursement amounted to €207,197.

8. 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 Subscribed Capital 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 on a quarterly basis, commencing from the finalisation of the first Net Asset Value calculation.

For the year ended 31 December 2024, management fees charged by the Fund 2023 amounted to €2,111,777. This amount includes adjustment to the calculation of the management fee as the Investment Manager is entitled to receive management fee in respect of each Share as if each Shareholder had subscribed for Shares in Fund 2023 on the First Closing date.

Management fee rates for Fund 2023:

	Management fee rate
Share class A	2.00%
Share class A1	2.60%
Share class B	2.00%
Share class C	1.00%
Share class E	0.85%
Share class EA	1.95%
Share class IZ1	2.17%
Share class IZ2	1.702%
Share class S	0.85%
Share class Y	2.20%
Share class Y1	1.00%

9. Due to affiliates

At 31 December 2024, due to affiliates amounts to €2,186,596 consists entirely of management fees for the period from 12 December 2022 to 31 December 2024.

10. Cash and short-term deposits

At 31 December 2024, short-term deposits amounting to €5,750,465 have been made for varying periods of between one day and three months, depending on the immediate cash requirements of Fund 2023, and earn interest at the respective short-term deposit rates.

11. Accrued expenses

At 31 December 2024, accrued expenses were composed as below:

	31 December 2024
	EUR
Accrued custodian fees	136,227
Accrued audit fees	23,400
Accrued accounting fees	15,714
Accrued administration fees	32,173
Accrued depositary fees	1,558
Accrued other professional fees	35,599
Accrued domiciliation fees	217,446
Distribution fees	472
At the end of the year	**462,589**

12. Due to service providers

As at 31 December 2024 due to service providers amounted to €394,183 and were mostly related to unsettled legal fees.

13. Interest income

At 31 December 2024, interest income on current bank accounts amounted to €120,772 at the level of Fund 2023.

14. Taxation

Fund 2023 is domiciled in Luxembourg. Under current Luxembourg law and practice, Fund 2023 is not liable to any Luxembourg income or net wealth tax nor are distribution, redemption or payment made by Fund 2023 to its Shareholders under the Shares and distribution of liquidation proceeds subject to any Luxembourg withholding tax.

Following legislative change effective July 2023, Sub-Fund is no longer liable to a subscription tax ("Taxe d'abonnement"). As a consequence, no tax is reflected as of 31 December 2024, except for VAT with amount EUR 1,000.

15. Professional fees, administrative and other expenses

At 31 December 2024, administrative and other expenses consisted of:

	31 December 2024
	EUR
Audit fees	24,127
Tax advisory fees	2,048
Custodian fees	158,347
Depositary fees	1,536
Domiciliation fees	212,449
Transfer agency fees	17,334
Acquisition expenses	7,501
Other commissions and fees	12,518
Distribution fees	472
At the end of the year	**436,332**

For the year ended on 31 December 2024 professional fees were composed of Fund registration and maintenance service amounting to €179,845 in Fund 2023.

15.1 Depositary and administrator expenses

Brown Brothers Harriman (Luxembourg) S.C.A. (the "Depositary") is entitled to an annual fee equal to a percentage of the Net Asset Value of each Sub-Fund or Share Class. The Depositary is entitled to transaction fees charged on the basis of the investments made by each Sub-Fund in Luxembourg. Fees paid to the Depositary 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 Depositary 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. 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 Depositary and the Administrator in consideration of ancillary services rendered to Fund 2023 and relating to the core services of the Depositary and the Administrator

15.2 Directors' fees and expenses

The members of the Board of Directors may be entitled to receive a fee in consideration for their function. The Company 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 1 October 2023 (i.e., starting from the fourth quarter of 2023).

As at 31 December 2024 no amount was expensed for director fees.

16. Carried interest

No carried interest is recognised at the level of the Fund 2023 as at 31 December 2024.

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 as of 31-Dec-24 there are no allocated carried interest.

17. Changes in the Sub-Fund

A list, specifying the total purchases and sales for Sub-Fund, which took place during the year under review may be obtained free of charge upon request at the registered office of the Management Company.

18. Subsequent events

At the date of the preparation of the financial statements, there were no subsequent events.

Total Expense Ratio (the "TER")

For the year Ended 31 December 2024

Share Class	TER
Share Class A EUR	2.60%
Share Class A1 EUR	3.22%
Share Class B EUR	3.23%
Share Class C EUR	1.58%
Share Class C EUR (Non-Voting)	1.58%
Share Class E EUR	1.43%
Share Class EA EUR	2.55%
Share Class IZ1 EUR	2.67%
Share Class IZ2 EUR	2.19%
Share Class S EUR	1.33%
Share Class Y EUR	2.81%
Share Class Y1 EUR	1.58%

AIFMD Disclosure (Unaudited)

AIFMD remuneration disclosures for Schroder Investment Management Europe S.A. ('SIM Europe') for the year to 31 December 2024

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 62 to 83 of the 2024 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 2024 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 2024.

- The total amount of remuneration paid by SIM Europe to its 332 staff was €55.67 million of which €42.25 million was fixed remuneration (e.g. salaries, benefits in kind) and €13.42 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 132 AIF MRTs of SIM Europe in respect of the financial year ended 31 December 2024 is €116.65 million, of which €49.87 million was paid to senior management, €63.22 million was paid to MRTs deemed to be taking risk on behalf of SIM Europe or the AIF funds that it manages and €3.57 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.

SFDR Periodic Report

Reference Period: 1 January 2024–31 December 2024

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

Environmental and/or social characteristics

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.

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.

Did this financial product have a sustainable investment objective?

●● ☐ Yes	●● ☒ No
☐ It made **sustainable investments with an environmental objective: __%**	☒ It **promoted Environmental/Social (E/S) characteristics** and while it did not have as its objective a sustainable investment, it had a proportion of 14% of sustainable investments
☐ In economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ With an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ In economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ With an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ With a social objective
☐ It made **sustainable investments with a social objective: __%**	☐ It promoted E/S characteristics, but **did not make any sustainable investments**

During the reference period the Fund was still in its regulatory ramp-up period. This is the reason why the Fund did not meet its 15% target for proportion of sustainable investments, nor its target for 5% socially sustainable investments.

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

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

During the reference period from 1 January 2024 to 31 December 2024, the Fund has invested 96% of the Fund's allocated capital, and 34% of Net Asset Value to assets that promote environmental or social characteristics ('E&S characteristics'), thereby meeting its commitment to invest at least two-thirds of the Fund's Capital into assets that promote environmental or social characteristics. The remainder of the Fund was cash or cash equivalents. The Fund was still in its regulatory ramp-up period. The E&S characteristics where measured by the Investment Manager's proprietary ESG assessment for direct/co-investments and GP-leds ('RISE Direct'), where a score of 60/100 meets the characteristics. This ESG assessment applied a number of pre-defined environmental, social and governance indicators within the Fund's proprietary Private Equity ESG Assessment tool for direct/co-investments (and GP-led secondaries) called "RISE[1] Direct". This included the following environmental and social characteristics:

- Environmental – Greenhouse Gas Emissions
- Social – Labor relations

The remaining 4% of the Fund's investments were in companies that scored below 60/100 but with a clear pathway to improving their sustainability standing or for companies for which insufficient data metrics were available at the time of investment.

Regarding sustainable investments, the Fund has a target of 15% of Capital. During the reference period from 1 January 2024 to 31 December 2024, 14% of the Fund's committed capital, and 5% of Net Asset Value, was invested in sustainable investments during the reference period. This is 1% below the target, but the Fund is still in its regulatory ramp-up period.

In 2024, 64% of the Fund's Net Asset Value was invested in neutral assets.

During the reference period there have been no breaches of the Exclusion List and the Good Governance test.

How did the sustainability indicators perform?

During the reference period, investments had the following scores as measured by the Fund's proprietary ESG assessment 'RISE Direct'.

The RISE Direct assessment addressed environmental and social themes and was developed taking into consideration industry materiality as published by the SASB Materiality Map and further refined through Schroders Capital's internal industry expertise. The scores represent a company's sustainability profile as a weighted sum of the underlying indicators by their focus areas and indicate the sustainability performance of a company in the context of its respective sub-industry. All direct and co-investments met a minimum RISE Direct score of 60/100, indicating strong performance on ESG indicators.

[1] Schroders Capital RISE Framework encompasses four proprietary assessment tools, for which RISE Direct is one, for private equity direct/co-investments and funds, including a portfolio company-level ESG assessment. The umbrella name RISE stands for Raising Impact, Sustainability and Engagement.

As of 31 December 2024, the Fund's direct and co-investments had the following RISE Direct ESG scores:

Table 1: Fund RISE Direct ESG Scores

	RISE Direct ESG Score
Acturis	76
Cumulocity[2]	75
Famar	65
HTBA	91
Keylane[2]	88
Norsk Gjenvinning	89
Supreme Group	75

Table 2: RISE Direct ESG Scores of investments in Schroders Capital Private Equity Europe Direct III Fund

	RISE Direct ESG Score
aceGroup	69
Armor Iimak	87
Arterex	91
Connexta	52
Cumulocity[2]	75
Expana	96
Headfirst	100
HTBA	91
Infobric	81
Keylane[2]	88
Sabseg Group	66

The Fund also invested in the Schroders Capital Private Equity Europe Direct III Fund, of which the portfolio companies had the following RISE Direct ESG Scores. All portfolio companies except one, Connexta, met a minimum RISE Direct score of 60/100.

In addition, the Fund committed to report the following Key Performance Indicators (KPIs) for each portfolio company from the first full reporting year that the company has been part of the portfolio:

- Absolute Scope 1 (direct) GHG emissions in metric tonnes of CO2 equivalent (tCO2e)*
- Absolute Scope 2 (indirect) GHG emissions in metric tonnes of CO2 equivalent (tCO2e)*
- Scope 1 GHG emissions intensity (tCO2e/revenue)*
- Scope 2 GHG emissions intensity (tCO2e/revenue)*
- Total number of employees
- Percentage of women in workforce
- Percentage of women in Senior Management
- Confirmation on the existence of a formal code of conduct covering the Portfolio Company's policy for anti-harassment, -bribery, -corruption and tax compliance

[2] The Fund is invested in these companies both directly and through Europe Direct III, therefore they appear in both tables.

- Confirmation on the existence of a formal ESG policy or strategic commitment and action plan

* For some investments this may be based on proxy data in the first years, to ascertain data consistency at the Fund level.

For investments held by the Fund for less than a full reporting year, the Fund will report such metrics as it is able to acquire depending on data availability.

As of 31 December 2024, the Fund's investments had the following Scope 1 and 2 GHG emissions:

Table 3: Direct and co-investment scope 1 GHG emissions

	Scope 1 Absolute Emissions (tCO2e)	Scope 1 Emissions Intensity (tCo2e/M € Revenue)
Acturis	105	0.51
Cumulocity[2, 3]	70	2.3
Famar	5,943	23
HTBA	2,242	29.2
Keylane[2]	344	1.8
Norsk Gjenvinning	16,747	12.8
Supreme Group[4]	-	-

Table 4: Scope 1 GHG emissions of investments in Schroders Capital Private Equity Europe Direct III Fund

	Scope 1 Absolute Emissions (tCO2e)	Scope 1 Emissions Intensity (tCo2e/M € Revenue)
aceGroup	448	11.13
Armor Iimak	35,457	98.77
Arterex	726	3.85
Connexta[4]	-	-
Cumulocity[2, 3]	70	2.28
Expana[3]	20	0.38
Headfirst	516	1.82
HTBA	2,242	29.2
Infobric	56	0.86
Keylane[2]	344	1.8
Sabseg Group	54	0.87

Table 5: Direct and co-investment scope 2 GHG emissions

	Scope 2 Absolute Emissions (tCO2e)	Scope 2 Emissions Intensity (tCo2e/M € Revenue)
Acturis	118	0.58
Cumulocity[2, 5]	0	0
Famar	2,303	8.93

[3] 2024 data was not yet available at the time of reporting therefore these values represent 2023 data.

[4] This investment has been held for less than a full reporting year and does not yet have reliable ESG data.

[5] 0 tCo2e based on 100% renewable energy use, based on 2023 data as 2024 data was not yet available at the time of reporting.

HTBA	213	2.77
Keylane[2]	105	0.54
Norsk Gjenvinning	25,050	19.13
Supreme Group[4]	-	-

Table 6: Scope 1 GHG emissions of investments in Schroders Capital Private Equity Europe Direct III Fund

	Scope 2 Absolute Emissions (tCO2e)	Scope 2 Emissions Intensity (tCo2e/M € Revenue)
aceGroup	13	0.33
Armor Iimak	14,228	39.63
Arterex	70,88	37.54
Connexta[4]	-	-
Cumulocity[2, 5]	0	0
Expana[3]	70	1.32
Headfirst	779	2.74
HTBA	213	2.77
Infobric	89	1.37
Keylane[2]	105	0.54
Sabseg Group	9	0.15

All data represents FY2024, except for Expana and Cumulocity which represent 2023 data because 2024 data was not yet available at the time of reporting. "-" denotes no data available, because the investment has been held for less than a full reporting year.

As of 31 December 2024, the Fund's direct and co-investments reported the following for social and governance related metrics:

Table 7: Direct and co-investment social and governance metrics

	Total Number of Employees	% of women in workforce	% of women in senior management	Code of conduct[6]	ESG Policy
Acturis	561	24%	13%	Yes	Yes
Cumulocity[2]	233	14%	0%	Yes	Yes
Famar	1,571	50%	38%	Partial	Yes
HTBA	216	33%	29%	Partial	Yes
Keylane[2]	835	25%	21%	Partial	Yes
Norsk Gjenvinning	2,421	18%	24%	Partial	Yes
Supreme Group[7]	227	46%	43%	N/A	No

Table 8: Social and governance metrics of investments in Schroders Capital Private Equity Europe Direct III Fund

	Total Number of Employees	% of women in workforce	% of women in senior management	Code of Conduct[3]	ESG Policy
aceGroup	87	21%	18%	Partial	Yes

[6] "Yes" indicates the code of conduct has been verified as covering, at a minimum, corruption, bribery, harassment and tax compliance. Partial indicates that at least one of these topics is covered in a code of conduct.

[7] Data is not as of year-end but from due diligence conducted during the reference period, as year-end data was not yet available at the time of reporting.

Armor Iimak	1,597	28%	0%	Partial	Yes
Arterex	1,179	47%	24%	Partial	Yes
Connexta	456	18%	0%	No	No
Cumulocity[2]	233	14%	0%	Yes	Yes
Expana	294	39%	14%	Yes	No
Headfirst	1,812	61%	11%	Yes	Yes
HTBA	216	33%	29%	Partial	Yes
Infobric	294	24%	21%	Partial	Yes
Keylane[2]	835	25%	21%	Partial	Yes
Sabseg Group	207	71%	40%	No	Yes

All data represents FY2024. "-" denotes no data available, which may be because the investment has been held for less than a full reporting year.

For the sustainable investment allocation of the Fund, each sustainable investment must achieve a minimum score of 50/100 in the Investment Manager's proprietary Impact Scorecard. The table below provides the impact scores achieved by the Fund's sustainable investments made during the reference period.

Table 9: Sustainable investment impact scores

	Impact Scorecard Score
Norsk Gjenvinning	68
aceGroup	59

The Investment Manager also considers impact KPIs for each individual investment. As of 31 December 2024, the Fund's sustainable investments had contributed to the following indicators:

Table 10: Sustainable investment impact KPIs

	FY2024
CO2 avoided per annum (tCO2e)	1,375,794
Volume of waste treated (tons)	1,938,296
Percentage of waste recycled (%)	57%
Number of charging points installed	800
Renewable energy production (KWp enabled)	15,700

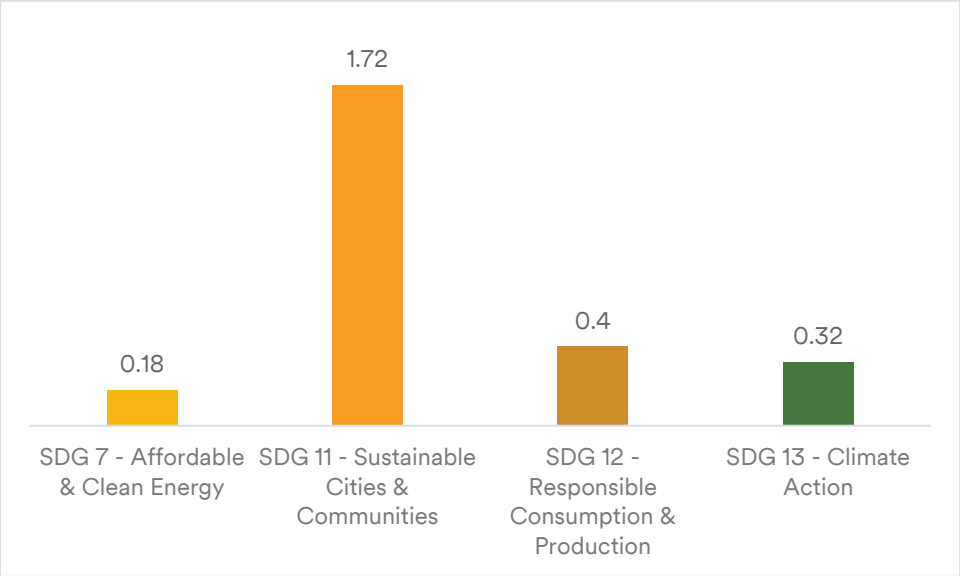
...and compared to previous periods?

The only investments made in previous periods were in neutral assets, therefore no comparison with previous periods is possible for the Fund for the reference period.

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

In respect to the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment is expected to advance on one or more of the SDGs by positively contributing towards environmental and social development themes. The figure below illustrates the SDG alignment of the Fund's sustainable investments made during the reference period.

Figure 1: SDG alignment of Fund sustainable investments by $NAV millions, apportioned to Impact Intents



The approach used to determine SDG alignment attributes an investment's NAV based on the investment's total Impact Materiality (i.e. the % of business revenues or activities tied to impact) and the Impact Intent. Impact Intents are assigned impact allocations between 0-100 reflecting the relevance of a particular theme. For example, if 50% of a company's revenues are aligned with impact objectives, and 100% of this is dedicated to renewable energy generation, then the company would be attributed 50% (50% * 100%) to SDG 7, and 50% neutrally aligned. SDG alignment was then multiplied by NAV to determine SDG contributions and thereby avoiding double counting.

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

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti- bribery matters.

The Investment Manager's approach to not causing significant harm to any sustainable investment objectives included the following:

- The Fund did not knowingly invest in any activity in the Schroders Capital Exclusion List, including but not limited to: production, financing or sale of controversial weapons; products or practices that endanger wildlife or high conservation areas; child labour or forced labour.
- Use of the Do No Significant Harm ('DNSH') assessment both for direct/co-investment/GP-led secondaries as well as for any primary (fund) investments. The assessment aims to confirm the willingness and capacity, tools and processes of investments to manage and report on the Principle Adverse Indicators ('PAIs') through a series of Pass/Fail questions. This assessment is combined with third-party data to screen any related controversies. The information gathered through discussions with private equity investment partners, and where possible underlying portfolio companies, was reviewed by the Investment Manager's in-house sustainability specialists and assessed taking a qualitative approach. The Investment Manager reviews whether a company tracks or has the intention to track all the PAIs using a materiality assessment based on the type of service or activity of that company. For specific PAIs where no data and/or management practices exist at the time of investment, and the gaps are considered non-material to the success of the business, the Investment Manager engaged with the company to implement relevant business practices and processes during the holding period.

All relevant indicators for adverse impacts on sustainability factors have been assessed at the time of investment. No significant harm to any sustainable investment objective was identified.

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

For private equity investments of the Fund, PAIs were considered before investing, through exclusions or a materiality assessment based on the type of service or activity of the relevant company and through integration in the investment due diligence process as further set out below. This forms part of the Investment Manager's qualitative approach to assessing environmental or social harm across investments. For specific PAIs where no data and/or management practices exist at the time of investment, and the gaps are considered non-material to the success of the business nor to the initial Do No Significant Harm assessment, the Investment Manager engages with the company to implement relevant business practices and processes during the holding period. Engagement focuses on the priorities documented in the Schroders Capital Engagement blueprint (schroders-capital-private-markets-engagement-blueprint.pdf).

PAIs considered as part of pre-investment through the application of exclusions include: PAI 4 and PAI 14

- Exposure to fossil fuels and/or controversial weapons is assessed through the sourcing and prequalification stage of the investment management process. Suspicion of exposure is discussed with the Investment Manager's investment committee and escalated to the Private Equity Sustainability & Impact committee in case of complex cases.

- Compliance with the exclusion thresholds by the investee companies is upheld through legally binding side letters and monitored through our risk monitoring and compliance framework

PAIs considered through integration in the investment due diligence process include: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13 and Voluntary 1 and 2.

- Data on PAIs is gathered on a best effort basis through a Do No Significant Harm Assessment assessing a company/funds' ability and willingness to manage the PAIs. Information is reported through our private equity investment partners and is reviewed by our in-house sustainability specialists.

- Information gathered through the assessment is used to form a qualitative pass/fail assessment of a company's ability to not significantly harm environmental or social sustainable investment objectives. Where potential gaps are found, next steps are established and monitored on an annual basis. This acts as a key element of the Investment Manager's engagement strategy with private equity investment partners and portfolio companies.

PAIs not relevant for the private equity asset class: PAI 15, 16, 17, 18.

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

Due diligence for the Fund's investments includes an assessment of alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights using internal and external tools, including, but not limited to, dedicated ESG reference calls, RepRisk, and World-Check.

No breaches were identified for the Fund's investments during the reference period.

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?

The Investment Manager's approach to considering principal adverse impacts on sustainability factors and determining Pass or Fail questions differed depending on each PAI indicator. Some indicators fall within the Investment Manager's standard pre-existing exclusions, whereas others were considered through a qualitative approach via the investment process where the relevant data was available.

The Investment Manager reviewed whether a company tracks or intends to track all the PAIs using a materiality assessment based on the type of service or activity of that company. For specific PAIs where no data and/or management practices existed at the time of investment, and the gaps were considered non-material to the success of the business nor to the initial Do No Significant Harm assessment, the Investment Manager engaged with the company to implement relevant business practices and processes during the holding period.

- PAIs considered as part of pre-investment through the application of exclusions include: PAI 4 and PAI 14. Exposure to fossil fuels and/or controversial weapons was assessed through the sourcing and prequalification stage of the investment management process. Suspicions of exposure were discussed with the Investment Manager's investment committee and escalated to the Private Equity Sustainability & Impact committee in complex cases. Compliance with the exclusion thresholds is upheld through legally binding side letters and monitored through the Investment Manager's risk monitoring and compliance framework

- PAIs considered through a qualitative approach in the investment due diligence process include: 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13 and Voluntary 1 and 2. Data on PAIs was gathered on a best effort basis through a Do No Significant Harm Assessment assessing a company/funds' ability and willingness to manage the PAIs. Information was reported through the Investment Manager's private equity investment partners and was reviewed by the Investment Manager's in-house sustainability specialists. Information gathered through the assessment was used to form a qualitative pass/fail assessment of a company's ability to not significantly harm environmental or social sustainable investment objectives. Where potential gaps are found, next steps were established and monitored on an annual basis. This acts as a key element of the Investment Manager's engagement strategy with private equity investment partners and portfolio companies.

PAIs not relevant for the private equity asset class: PAI 15, 16, 17, 18.

At this stage, the approach does not include objective systematic thresholds that would define 'harm' and apply across the Investment Manager's 'Sustainable investments'; the determination of 'harm' still relies on a combination of Pass/Fail tests and a judgement call from the Investment Manager.

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 2024 to 31 Dec 2024**

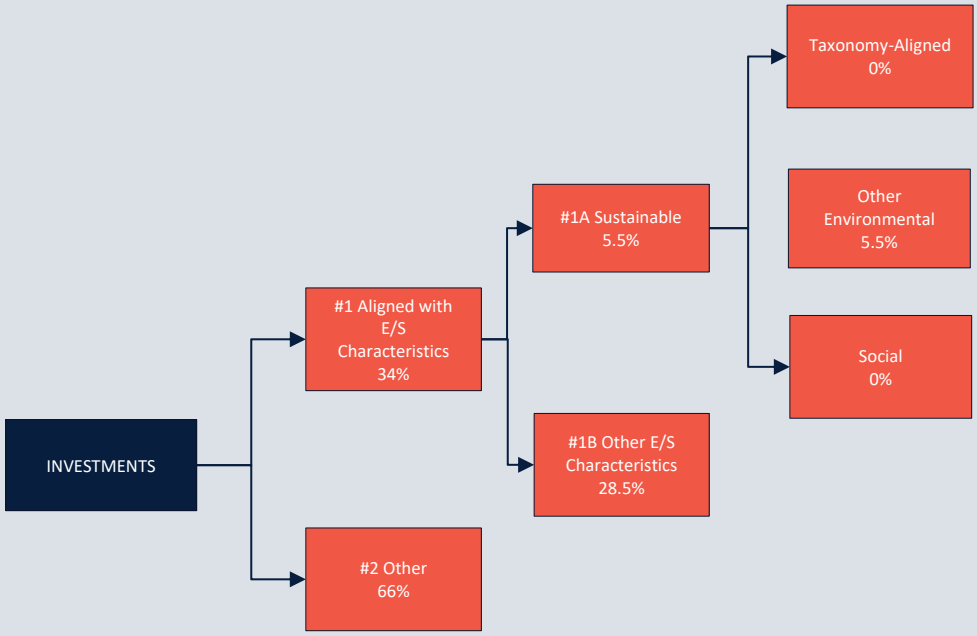
Largest Investments	Sector	% Assets	Country
BNP PARIBAS INSTICASH EUR 1D SHORT TERM VNAV	Collective Investments	16%	Luxembourg
GOLDMAN SACHS FUNDS PLC - EURO LIQ /EUR/ CL	Collective Investments	16%	Ireland
Morgan Stanley Liquidity Funds Euro Liquidity Fund	Collective Investments	16%	Luxembourg
JPMorgan Liquidity Funds - EUR Liquidity LVNAV	Collective Investments	16%	Luxembourg
Schroders Capital Private Equity Europe Direct III S.C.S	Industrials, Health Care, Information Technology	9%	Europe
Norsk Gjenvinning	Industrials	5%	Norway
Acturis	Information Technology	5%	UK
Supreme Group	Industrials	4%	USA
Famar	Healthcare	4%	Greece
HTBA Natural Ingredients Invest, S.L.U	Healthcare	3%	Spain
Cumulocity	Information Technology	3%	Germany
Keylane	Information Technology	2%	Netherlands

What was the proportion of sustainability-related investments?

The below graph illustrates the Fund's proportion of sustainability-related investments.

Asset allocation describes the share of investments in specific assets.

What was the asset allocation?



#1 Aligned with E/S Characteristics *includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product*
#2 Other *includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments*

The category ***#1 Aligned with E/S Characteristics*** *covers:*
- The sub-category ***#1A Sustainable*** *covers environmentally and socially sustainable investments*
- The sub-category ***#1B Other E/S Characteristics*** *covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments*

In which economic sectors were the investments made?

Sector	Sub-Sector	% Assets
Collective Investments	Cash	64%
Information Technology	Software	8%
Health Care	Pharmaceuticals	8%
Information Technology	IT Services	6%
Industrials	Commercial Services & Supplies	6%
Industrials	Professional Services	5%
Health Care	Health Care Equipment & Supplies	1%
Finance	Insurance	1%

% assets is calculated as the % NAV Exposure as of 31 December 2024. Above data incorporates holdings of Schroders Capital Europe Direct III on a look-through basis.

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.

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

Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy[8]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

Taxonomy-aligned activities are expressed as a share of:

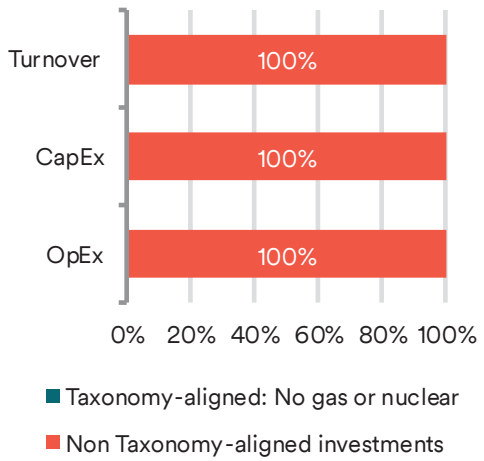
Turnover reflecting the share of revenue from green activities of investee companies

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

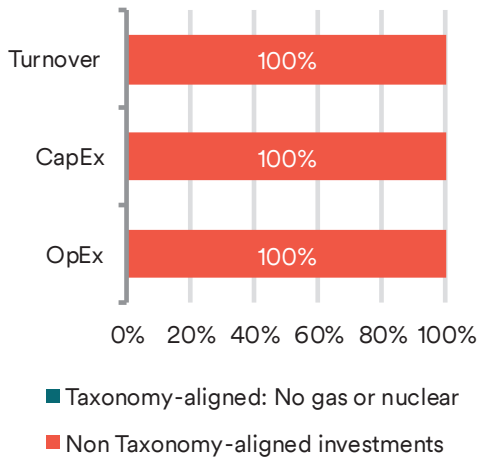
Operational expenditure (OpEx) reflecting green operational activities of investee companies.

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 bonds[9], 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 bonds[2]



2. Taxonomy-alignment of investments excluding sovereign bonds[2]



This graph represents 100% of the total investments

[8]Fossil 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.

[9]For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

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

As per the above, the share of investments by the Fund in transitional and enabling activities has been deemed to constitute 0% of the Fund's portfolio.

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

This question is not applicable.

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?

All investments with a sustainable investment objectives (14% of committed capital) made by the Fund had environmental objectives that were not aligned with the EU Taxonomy.

What was the share of socially sustainable investments?

During the reference period there were no sustainable investments with a social objective. The Fund has a commitment to invest 5% of assets in socially sustainable investments -the Fund was unable to meet its commitment for socially sustainable investments as it was still in its ramp-up phase.

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

66% of the Fund's net asset value at the end of the reference period was in the "Other" category and included 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.

Of the invested capital, 4% fell in the "Other" category, this was an investment in a company that scored below 60/100 but with a clear pathway to improving their sustainability standing or for companies for which insufficient data metrics were available at the time of investment. As minimum safeguards this investment complied with the Investment Manager's exclusion list and the good governance assessment.

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

The actions taken during the reference period to attain the sustainable investment objective include the following:

- All investments completed during the reference period met the criteria of the Investment Manager's exclusion list for the Fund.
- The Fund used its proprietary Impact Scorecard to assess alignment to the sustainable investment objective of the Fund and define the investee companies impact intent.
- All new investments were subject to the Fund's proprietary RISE Direct assessment to assess ESG performance.
- The Fund performance good governance tests on all new sustainable investments. All sustainable investments passed the requirements for our good governance test.
- The Fund started closed its first investments during the reference period and has therefore not engaged beyond the engagement and goal setting that is part of the investment ESG due diligence.

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

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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