

# Assessment of Value (AoV) Report

April 2025



Schroders

# Chair's letter

As uncertainties in the global landscape persist and markets remain extremely volatile, we are dedicated to helping you navigate these challenging times.

This is our sixth Assessment of Value report, covering our Asset Management funds, and is produced for each UK domiciled investment fund that we manage. The data for this report was collected as at the end of 31 December 2024.

Our core purpose remains; to provide the best possible service and investment performance through active management. We believe that assessing the value created by our funds is a continual process that we have embedded fully into our product governance framework.

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

- Taking action on individual funds identified as not consistently demonstrating value. This included making changes to portfolio managers, investment teams and portfolio composition.
- Continuing to offer scale discounts for retail investors in our largest funds. Since we implemented scale discounts in 2020, retail investors have benefitted from approximately £5.8 million when a fund's assets under management reach £1 billion. In 2024, we saved investors approximately £1 million in fees due to scale discounts.
- Continuing to pass cost savings to retail investors through our automatic share class conversions. Since 2021, we have saved investors more than a £1 million in aggregate (including £258,000 in 2024) in lower fees.

We are committed to continually improving the clarity of the findings summarised in this report. We provide a clear outline of our methodology for each of the seven areas assessed with conclusions and next steps detailed on the individual fund pages. By providing transparent and comprehensive information, we aim to ensure that you have a thorough understanding of our assessment process and the actions we are taking to deliver better value. We also hope this process will help to promote enhanced transparency and governance, and positive outcomes for investors.

Markets remain volatile, with recent declines in company valuations and index concentration increasing across multiple regions. In the face of considerable policy uncertainty, investors are having to contend with a wider range of potential outcomes for both economic activity and for asset class returns than they have seen for many years. Despite this backdrop, with the strength of our active management approach, we remain committed to helping investors meet their long-term investment goals.



**Howard Williams**  
**Independent non-executive director of the SUTL board since 2018 and Chair of the SUTL board since 2023.**

As Chair of the SUTL board, Howard holds the regulatory responsibility for SUTL carrying out the Assessment of Value.

# Schroder Unit Trusts Limited (SUTL) board of directors\*

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



**Calum Thomson**  
**Independent non-executive director of SUTL since 2017.**



**Paul Truscott**  
 Head of Product Development, UK and Europe  
**Executive director of SUTL since 2019.**



**Stephen Reedy**  
 Head of EMEA Operations Hub  
**Executive director of SUTL since 2019.**



**Anna O'Donoghue**  
 Global Head of Product Development and Governance  
**Executive director of SUTL since 2022.**



**Ravinder Singh Lamba**  
 Head of Group Financial Control  
**Executive director of SUTL since 2024.**



**Philip Middleton**  
 Head of UK Client Group  
**Executive director and CEO of SUTL since 2025.**

\*The board of directors reflects current composition as at publication.

# Contents

Introduction	03
The seven areas	04
How to read your fund page	05
Index of funds	06
Fund reports	08
Glossary of terms	98

# Introduction

## Who is the report designed for?

This annual Assessment of Value report is aimed at individuals who invest in our UK domiciled fund ranges or their advisers. It outlines each fund’s assessment, which has been conducted using data as at 31 December 2024.

## How should you use the report?

This report complements other fund documentation available to investors, such as the Prospectus, Key Investor Information Document (KIID) and Factsheet (if available).

This report is interactive; please use the Contents page to navigate your way around it.

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

The Assessment of Value report covers seven different areas of value. More information on how we assess the seven areas is provided in the next section.

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

Please follow the [link here](#) to find the detail of the regulation in COLL 6.6.21, which sets out the seven specific areas that the Assessment of Value must cover.

## What do the icons used throughout the report represent?

- 
 Where an area has this icon, we believe that the fund is demonstrating value in that area.
- 
 Where an area has this icon, we have concluded after further qualitative review that the fund is demonstrating value in that area.
- 
 Where an area has this icon, we recognise that the fund is not demonstrating value in that area consistently. We have completed a further review and shared the outcomes with you.
- 
 Where an area has this icon, there is insufficient data available and/or the fund has not reached its minimum recommended performance period (in the case of the performance area) to appropriately assess that area.

## What should you do if you have any questions?

You can contact us at [schrodersinvestor@hsbc.com](mailto:schrodersinvestor@hsbc.com) if you have any further questions.

Institutional and corporate clients may also contact [schrodersinstitutional@hsbc.com](mailto:schrodersinstitutional@hsbc.com).

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

# The seven areas

## Performance

### Has the fund performed in line with expectations?

You will find the investment objective (including the performance period over which the fund is expected to deliver this) of a fund in its Prospectus, Key Investor Information Document (KIID) and Factsheet (if available).

We consider the performance of our funds after the fees have been deducted and we assess the returns of each share or unit class over the performance period to give us an indication of how well a fund is meeting its investment objective.

We also look at how our funds have performed against similar funds offered by peers, as well as considering any specific sustainability, income or volatility objectives where applicable. We acknowledge that funds sometimes underperform their investment objective and we take remedial action to address this where appropriate.

## Quality of service

### Are we meeting expectations on the service we deliver?

We assess key service areas relating to our operations, investment process and investor experience. We review the quality of service we provide directly and the quality of service provided by any third party to whom we have delegated services.

Our operations team aims to execute all operations of the fund efficiently and accurately. We validate the strength of our investment process through several governance processes and forums, including consideration of liquidity and risk management to ensure these remain robust and fit for purpose.

We want investors to understand the funds they invest in and the associated risks. We evaluate the investor experience we provide, for example, through consumer testing on our retail-facing materials and reviewing the nature of complaints received.

## Authorised fund manager costs

### Are charges reasonable and appropriate?

We assess if the fees we charge to the funds for costs incurred in providing the services are reasonable. This is to ensure the charge is appropriate while at the same time allowing us to retain a well-capitalised business; continue to operate during periods of market stress; and continue to innovate and develop new products.

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

## Comparable market rates

### How do our charges compare against our competitors?

We assess the amount we charge at a share/unit class level by comparing the ongoing charges figure (OCF) against the OCF of similar funds offered by our peers. In some instances, a fund may not have a suitable peer group to compare against.

## Economies of scale

### Do our funds benefit from cost savings as they grow and have we shared these with you?

A fund can generate economies of scale because we are able to manage and operate larger funds more efficiently. The size of the Schroders group is a further benefit as our negotiating power can help us to achieve in lower prices.

We have determined that funds typically generate meaningful economies of scale when they grow to £1 billion in size, although this can vary depending on the type of investments. We apply discounts to our retail share or unit classes for every fund that is larger than £1 billion. Non-retail share/unit classes receive discounts via lower fees or rebates and therefore a scale discount is not applied.

## Comparable services

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

We recognise that investors have different needs and require different services, and we reflect this in the charges we set for our funds. For instance, the costs incurred for our funds that are sold through distributors or intermediaries such as an online platform or a financial adviser are not applicable to our segregated mandates.

We assess whether it is possible to receive the same service for a lower charge in another Schroders fund or mandate of comparable size with a similar investment objective and policy. This is to ensure we are delivering a compelling value proposition to all investors.

## Classes of shares or units

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

Our aim is that you are invested in the share class or unit class that offers the best value for you, given how you are investing and the features you are looking for. We compare the value we deliver across different classes of shares or units in the fund you have invested in and we review the charges across all share and unit classes that serve broadly the same purpose.

We conduct a semi-annual automatic conversion (every May and November) to cheaper share or unit classes (where appropriate) for investors that have had their adviser removed. We also review our share and unit classes throughout the year and conduct further conversions where appropriate.

Having multiple share or unit classes means we can apply the appropriate charging rates for different types of investors, for example, institutional or retail clients. Please refer to the relevant Prospectus for details of the share or unit classes presently available for each fund, including details of criteria for eligibility and applicable charges.

# How to read your fund page

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

### Overall conclusion

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

### The seven areas

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

### Actions

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

### Assessment period

Our assessment is carried out using data as at 31 December 2024.

### Performance data

Here you can find the fund's performance data, typically a factsheet or Key Investor Information Document (KIID), up to the reference date of 31 December 2024 or earlier. To get the latest performance data, please visit the Schroders' Fund Centre and refer to the Documents section for your fund.

### Navigation

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

For the fund's performance data as at 31 December 2024, please refer to the relevant factsheet in the 'Previous Versions' icon in the Documents section of the fund's page on the Schroders Global Fund Centre [here](#).

## Schroder Diversified Growth Fund

**Overall conclusion** Contents

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

**2. Quality of service** ○○○

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

**1. Performance** ○○○

**Performance commentary:** The fund has two objectives: to deliver a return of 4.5% above its cash benchmark (prior to 1 April 2022, the fund's return objective was 5% per annum above the UK Consumer Price Index, as a measure of inflation) and a volatility (a statistical measure of the fluctuations in a security's price or market) objective to be less than two-thirds then that of the global stock market.

In seeking to achieve an absolute level of return (either an un-investable inflation-plus benchmark or a cash-plus benchmark), as opposed to a market-based benchmark, when global markets are returning less than 4.5% above cash (or previously 4% above inflation) it becomes inevitable that the fund will have periods when it will underperform that target. During the first half of 2020 and 2022, global stock markets suffered significant declines, which directly affected our ability to deliver the fund's objectives. In the first half of 2023, the fund was positioned defensively for an economic slowdown which did not materialise as expected. As a result, the fund did not capture much upside as markets rallied, causing the fund to fall behind its target. The fund has met its volatility objective over the performance period.

**Remedial action:** We have made a number of enhancements to our process in recent years, while adhering to our core philosophy. Following a review of the investment objective and forecast market conditions, we changed the return objective to better reflect the achievable return outcomes. The original inflation plus 5% target was set when the fund was launched 16 years ago, based on market conditions at the time and expected returns from a diversified range of asset classes. However, expected returns from asset classes are now lower than they were and inflation has risen sharply. The revised return objective better reflects these conditions. While we believe that our investment philosophy still captures how markets behave, we also recognise that we should always try to improve our investment process, and in particular incorporate any lessons learned from periods of underperformance. Last year this included re-calibration of economic models, and the weighting applied to them in asset allocation decisions.

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

**3. Authorised fund manager costs** ○○○

We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

**4. Comparable market rates** ○○○

Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

**6. Comparable services** ○

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

**7. Classes of shares or units** ○○○

All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

**5. Economies of scale** ○○○

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

---

23 The assessment has been completed using data as at 31/12/2024 **Key:** ○○○ Demonstrating value ○○○ Completed a further review, not demonstrating value ○○○ Completed a further review, not demonstrating value consistently ○○○ Insufficient data available and/or the fund has not reached its minimum recommended performance period (in the case of the performance area) to appropriately assess that area

# Index of funds

Schroder AAA Flexible ABS Fund	8	Schroder Flexible Retirement Fund	29	Schroder Income Portfolio	50
Schroder All Maturities Corporate Bond Fund	9	Schroder Gilt & Fixed Interest Fund	30	Schroder India Equity Fund	51
Schroder Alternative Portfolio	10	Schroder Global Cities Real Estate	31	Schroder Institutional Pacific Fund	52
Schroder Asian Alpha Plus Fund	11	Schroder Global Diversified Income Fund	32	Schroder Institutional UK Smaller Companies Fund	53
Schroder Asian Discovery Fund	12	Schroder Global Emerging Markets Fund	33	Schroder Islamic Global Equity Fund	54
Schroder Asian Income Fund	13	Schroder Global Energy Transition Fund	34	Schroder Long Dated Corporate Bond Fund	55
Schroder Asian Income Maximiser	14	Schroder Global Equity Fund	35	Schroder Managed Balanced Fund	56
Schroder Blended Portfolio 3	15	Schroder Global Equity Income Fund	36	Schroder MM Diversity Fund	57
Schroder Blended Portfolio 4	16	Schroder Global Healthcare Fund	37	Schroder Monthly Income Fund	58
Schroder Blended Portfolio 5	17	Schroder Global Multi-Asset Adventurous Portfolio	38	Schroder Prime UK Equity Fund	59
Schroder Blended Portfolio 6	18	Schroder Global Multi-Asset Balanced Portfolio	39	Schroder QEP Global Active Value Fund	60
Schroder Blended Portfolio 7	19	Schroder Global Multi-Asset Cautious Portfolio	40	Schroder QEP Global Core Fund	61
Schroder Blended Portfolio 8	20	Schroder Global Multi-Asset Growth Portfolio	41	Schroder QEP US Core Fund	62
Schroder Digital Infrastructure Fund	21	Schroder Global Multi-Asset Moderately Cautious Portfolio	42	Schroder Recovery Fund	63
Schroder Diversified Growth Fund	22	Schroder Global Recovery Fund	43	Schroder Sterling Broad Market Bond Fund	64
Schroder Emerging Markets Value Fund	23	Schroder Global Sustainable Food and Water Fund	44	Schroder Sterling Corporate Bond Fund	65
Schroder European Alpha Plus Fund	24	Schroder Global Sustainable Growth Fund	45	Schroder Sterling Short Dated Broad Market Fund	66
Schroder European Fund	25	Schroder Global Sustainable Value Equity Fund	46	Schroder Strategic Bond Fund	67
Schroder European Recovery Fund	26	Schroder High Yield Opportunities Fund	47	Schroder Strategic Credit Fund	68
Schroder European Smaller Companies Fund	27	Schroder Income Fund	48	Schroder Sustainable Bond Fund	69
Schroder European Sustainable Equity Fund	28	Schroder Income Maximiser	49	Schroder Sustainable Future Multi-Asset Fund	70

# Index of funds

Schroder Sustainable Multi-Factor Equity Fund	71
Schroder Sustainable UK Equity Fund	72
Schroder Tellworth UK Dynamic Absolute Return Fund	73
Schroder Tokyo Fund	74
Schroder UK Alpha Income Fund	75
Schroder UK Alpha Plus Fund	76
Schroder UK Dynamic Smaller Companies Fund	77
Schroder UK Mid 250 Fund	78
Schroder UK Multi-Cap Income Fund	79
Schroder UK Smaller Companies Fund	80
Schroder UK-Listed Equity Income Maximiser Fund	81
Schroder US Equity Income Maximiser	82
Schroder US Mid Cap Fund	83
Schroder US Smaller Companies Fund	84
Schroder Worldwide Equity Portfolio	85
Schroders (Future Growth Capital) UK Private Assets LTAF	86
Schroders Capital Climate+ LTAF	87
Schroders Capital Global Private Equity LTAF	88
Schroders Capital UK Innovation LTAF	89
Schroders Capital UK Real Estate Fund	90
Schroders Capital UK Real Estate Fund Feeder Trust	91
Schroders Greencoat Global Renewables+ LTAF	92

# Schroder AAA Flexible ABS Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder All Maturities Corporate Bond Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that in some instances these charges are no longer providing value consistently. We are therefore in the process of taking remedial action.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Alternative Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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



Demonstrating value



Completed a further review, demonstrating value



Completed a further review, not demonstrating value consistently



Insufficient data available and/or the fund has not reached its minimum recommended performance period (in the case of the performance area) to appropriately assess that area

# Schroder Asian Alpha Plus Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** MSCI All Country Asia excluding Japan (Net Return) (GBP)

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Asian Discovery Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** MSCI All Country Asia excluding Japan Small Mid Cap (Net Total Return)

Chain linked: Blend of the MSCI Small Cap (Net Total Return) indices (Emerging Markets, Hong Kong, Singapore up to 13/01/2023)

## 1. Performance



**Performance commentary:** The fund modestly underperformed its benchmark but delivered strong returns versus its peer group comparator (IA Asia Pacific excluding Japan) over the performance period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



We have assessed key service areas relating to our operations, our investment process and our investor experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. As part of this we identified an operational issue within the fund. This issue was addressed appropriately and we have remediated our controls. We have otherwise concluded that we provide value to our clients in our quality of service, along with a mature and effective framework for fund oversight and the reporting of risks.

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Asian Income Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** MSCI All Country Pacific excluding Japan (Net Return) (GBP)

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Asian Income Maximiser

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** 7% income per year

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Blended Portfolio 3

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Blended Portfolio 4

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Blended Portfolio 5

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Blended Portfolio 6

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Blended Portfolio 7

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Blended Portfolio 8

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Comparator Benchmark:** IA Flexible Investment

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Digital Infrastructure Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

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

Chain linked: FTSE European Public Real Estate Association National Association of Real Estate Investment Trusts Developed Dividend Plus Index up to 07/02/2022

## 1. Performance



**Performance commentary:** The fund was restructured in February 2022, having previously been the Schroder Global Cities Real Estate Income Fund. Since then, the fund's comparator benchmark has been the broad market MSCI All Country World Index rather than a listed real assets benchmark. This means macroeconomic factors can significantly impact the relative performance of the fund against its comparator, and this has indeed been the case over the period. For example, mobile phone tower companies, which comprise roughly half of the fund's portfolio, are particularly interest rate-sensitive over short time horizons due to their predictable cash flows and impacted performance as interest rates rose.

Other stock detractors include the fund's position in Digital 9. The stock underperformed due to management departures following a disagreement with the board, prompting investors to dump the stock despite its significant discount to NAV. Additionally, the fund's significant positions in Crown Castle and DigitalBridge detracted due to higher debt levels and weak investor confidence during periods of business reorganisation.

The fund has also faced stock-specific challenges in a market that has favoured large-cap stocks such as those in the 'Magnificent 7'.

**Remedial action:** The future viability of the fund is under review and we are in the process of determining appropriate remedial actions.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that in some instances these charges are no longer providing value consistently. We are therefore in the process of taking remedial action.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Diversified Growth Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance

**Performance commentary:** The fund has two objectives: to deliver a return of 4.5% above its cash benchmark (prior to 1 April 2022, the fund's return objective was 5% per annum above the UK Consumer Price Index, as a measure of inflation) and a volatility (a statistical measure of the fluctuations in a security's price or market) objective to be less than two-thirds than that of the global stock market.

In seeking to achieve an absolute level of return (either an un-investable inflation-plus benchmark or a cash-plus benchmark), as opposed to a market-based benchmark, when global markets are returning less than 4.5% above cash (or previously 4% above inflation) it becomes inevitable that the fund will have periods when it will underperform that target. During the first half of 2020 and 2022, global stock markets suffered significant declines, which directly affected our ability to deliver the fund's objectives. In the first half of 2023, the fund was positioned defensively for an economic slowdown which did not materialise as expected. As a result, the fund did not capture much upside as markets rallied, causing the fund to fall behind its target. The fund has met its volatility objective over the performance period.

**Remedial action:** We have made a number of enhancements to our process in recent years, while adhering to our core philosophy. Following a review of the investment objective and forecast market conditions, we changed the return objective to better reflect the achievable return outcomes. The original inflation plus 5% target was set when the fund was launched 16 years ago, based on market conditions at the time and expected returns from a diversified range of asset classes. However, expected returns from asset classes are now lower than they were and inflation has risen sharply. The revised return objective better reflects these conditions. While we believe that our investment philosophy still captures how markets behave, we also recognise that we should always try to improve our investment process, and in particular incorporate any lessons learned from periods of underperformance. Last year this included re-calibration of economic models, and the weighting applied to them in asset allocation decisions.

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

## 2. Quality of service

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

## 3. Authorised fund manager costs

We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates

Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale

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

## 6. Comparable services

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

## 7. Classes of shares or units

All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Emerging Markets Value Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** MSCI Emerging Markets Index (Net Return) (GBP)

## 1. Performance



The fund has less than 12 months performance history so we are unable to fully assess performance at this time to be able to rate the fund.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

The fund merged into the Schroder European Fund on 27 March 2025.

For the fund's performance data as at 31 December 2024, please refer to the relevant factsheet in the 'Previous Versions' icon in the Documents section of the fund's page on the Schroders Global Fund Centre [here](#).

# Schroder European Alpha Plus Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** FTSE World Series Europe excluding UK (Gross Total Return)

## 1. Performance



**Performance commentary:** Fund performance over the period in review was disappointing, influenced by two factors. Firstly, stock selection was negative as certain holdings underperformed their respective sectors. Secondly, positioning was not helpful as Europe's largest companies have outperformed small and mid-cap stocks where we have an overweight allocation.

**Remedial action:** The fund has now merged into the Schroder European Fund, which took effect on 27 March 2025.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder European Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE World Series Europe excluding UK (Gross Total Return)

## 1. Performance



**Performance commentary:** The fund suffered challenging performance in 2022 and 2023, resulting in the underperformance over the period. The fund is exposed to a mixture of large-cap stocks, but also overlooked small and mid-cap stocks, which over the long term have been a very positive source of outperformance for the fund. However, the material outperformance of large-cap stocks compared to small and mid-cap stocks has weighed on returns more recently. We also acknowledge we experienced some negative stock selection which, together with a negative allocation impact, contributed to a difficult 2023 in particular. The largest detractors from relative returns were holdings such as Ubisoft, Worldline, Fortum and Viaplay which have struggled more than their respective wider sectors. All positions have been exited and lessons have been learned.

The year 2024 was a big improvement on the prior years, driven by positive security selection outcomes.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. The recent environment of higher than normal inflation and higher rates has contributed to this tough period of relative performance for Europe ex UK equity active managers. European equities have also been deeply out of favour with investors. Inflation has since receded, and interest rates are on a stated downward path as the region looks to boost its competitiveness.

The fund retains its focus on diversification and aims to capture the best medium-term capital growth opportunities from both value and growth parts of the market.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that in some instances these charges are no longer providing value consistently. We are therefore in the process of taking remedial action.

## 5. Economies of scale



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

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder European Recovery Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE World Series Europe excluding UK (Gross Total Return)

## 1. Performance



**Performance commentary:** The recent five-year period has been challenging for European equity active managers. The period has seen large-cap stocks outperform small and mid-cap stocks materially. Active managers will often have less exposure in aggregate to the largest 50 holdings in the benchmark.

The fund is managed in a value style. This means seeking out companies we believe have been overlooked by the market and are trading at a significant discount to their true value. There is strong evidence from many decades of data that investing in value companies delivers strong outperformance and helps to protect capital.

The onset of the Covid-19 pandemic was a challenging period for value investing. For much of 2020, the market's focus was on short-term profitability alone, rather than distinguishing between companies with differing balance sheet strength. This negatively impacted the short-term performance of the fund. Sector positioning has weighed on performance more recently. For instance, the fund has a greater allocation to autos and conventional energy exposures, which have underperformed the broader market. Such positioning is consistent with a deep value-focused portfolio in Europe.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. The team places significant emphasis on detailed valuation and accounting analysis, particularly balance sheet strength. Through fundamental research and by looking beyond the short-term market 'noise' and behavioural biases, we believe we can identify companies that trade at a substantial discount to their fair or intrinsic value.

We have re-examined all of the positions in the fund, reviewed fund turnover and the consistency of our investment style. It is our firm belief that we hold a basket of companies with the most attractive risk / reward profiles currently available, and that those investors who choose to stay the course will be potentially well rewarded for their patience. In the interim, the fund provides style diversification benefits to investors.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder European Smaller Companies Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

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

Chain linked: Euromoney Smaller Europe excluding UK (Gross Total Return) Index up to 01/08/2023

## 1. Performance



**Performance commentary:** The fund suffered challenging performance in 2022 and 2023, resulting in the fund underperforming its benchmark over the performance period.

At the sector level, banks, insurance and conventional energy all materially outperformed, which weighed on relative returns given the fund's lower exposure to such sectors. Such exposures fit less into the portfolio management team's stated style of investing, which is to identify profitable companies that generate high returns on capital throughout the market cycle. For instance, European banks have not been a great investment over the last decade but have led the way over the last three years.

The above insight does not mean the fund has been immune to stock-specific setbacks. The fund has suffered from a number of stocks experiencing sharp losses in the period. With hindsight, we got some of our position sizing wrong and could have acted faster when spotting waning operational momentum in certain fund holdings. Some of our holdings have experienced valuations derating despite solid financial results throughout the period.

**Remedial action:** Given that smaller companies are higher on the risk spectrum, a period of underperformance is easier to appreciate, although no easier to endure. We are not proposing material changes due to underperformance. We believe this was a challenging period for the style adopted by the fund and adapting the approach as some of these headwinds potentially ease is not in the interest of investors.

The team have reviewed the sell discipline of the fund and subsequently exited in full positions in HelloFresh and Alfen. With an eye on reducing the volatility of relative performance, the fund management team have reviewed the larger exposures and focused capital towards more liquid exposures within the small-cap space.

We remain firmly of the view that the fund's core strategy of investing in companies with strong business models in attractive industry segments exposed to long-term growth attributes makes for positive fund portfolio performance over longer term horizons.

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

## 2. Quality of service



We have assessed key service areas relating to our operations, our investment process and our investor experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. As part of this we identified an operational issue within the fund. This issue was addressed appropriately and we have remediated our controls. We have otherwise concluded that we provide value to our clients in our quality of service, along with a mature and effective framework for fund oversight and the reporting of risks.

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

The fund was renamed from the Schroder European Sustainable Equity Fund to the Schroder European Climate Transition Fund in February 2025. For the fund's performance data as at 31 December 2024, please refer to the relevant factsheet in the 'Previous Versions' icon in the Documents section of the fund's page on the Schroders Global Fund Centre [here](#).

# Schroder European Sustainable Equity Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** FTSE World Series Europe excluding UK (Gross Total Return)

## 1. Performance



**Performance commentary:** Fund performance over the five-year review period was very disappointing, influenced by two factors. Firstly, stock selection was negative as a large number of key holdings underperformed their respective sectors. Secondly, our positioning was not helpful as Europe's largest companies have outperformed small and mid-cap stocks, where we have an overweight allocation.

The largest detractors from relative returns are primarily small and mid-cap stocks which suffered large losses. Severe outflows out of European equity funds have also not been a helpful backdrop for less liquid small-cap stocks and contributed to the fund's negative performance.

**Remedial action:** The fund name and investment policy will soon be updated to reflect the attachment of a SDR sustainability improvers label.

The portfolio manager structure of the fund changed on 1 August 2024, with the new portfolio manager tasked with improving security selection and allocation outcomes. The portfolio manager has reduced position sizes for smaller, less liquid stocks and increased the number of holdings to around 50 securities (previously it was 40 to 45). We believe such steps are prudent in light of a challenging market backdrop. They may also reduce the volatility in relative performance we have observed in recent years. From a stock selection perspective, the portfolio manager has a preference for seeking long-term higher-quality exposures within individual sectors. This has contributed to the portfolio manager turning over approximately 20% of the portfolio.

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

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that in some instances these charges are no longer providing value consistently. We are therefore in the process of taking remedial action.

## 5. Economies of scale



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

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Flexible Retirement Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** ICE Bank Of America Sterling 3 month Government Bill plus 2%

Chain linked: UK Consumer Price Index plus 2% up to 17/08/2020

## 1. Performance



**Performance commentary:** The fund has two objectives: to deliver a return of 2% above cash, and not to lose more than 8% over any holding period. The fund has met its objective of not losing more than 8% over any holding period. To achieve this, however, the fund had to reduce its exposure on occasions to stock markets. This meant that it could not meet its return objective over the performance period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Gilt & Fixed Interest Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE Gilts All Stocks Index

## 1. Performance



**Performance commentary:** The fund's positioning in 2022 was the main driver behind underperformance over the performance period, where our expression of a consistent "slowing global growth" theme generated negative performance. In hindsight, we were too early in implementing this view, as the market remained much more engaged with inflation and rising interest rate expectations, which caused yields to rise significantly. Since then, while still modestly lagging the benchmark, performance has been in line with the peer group.

**Remedial action:** In 2023, the team was restructured under a new Head of Global Unconstrained Fixed Income, with changes to the investment process made, incorporating a more dynamic asset allocation. A shift from themes to a more agile scenario-based process means that investment views that are not playing out are more quickly reconsidered and positions that are underperforming modified.

Furthermore, an increased quantitative resource has supported risk management through greater use of quantitative models to help mitigate potential bias. As a result of all these changes, we expect the evolution of the team and process to lead to continued improvement in performance over time.

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Cities Real Estate

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE European Public Real Estate Association National Association of Real Estate Investment Trusts Developed (Net Total Return) (GBP) Index

Chain linked: UK Consumer Price Index plus 3% up to 15/07/2024

## 1. Performance



**Performance commentary:** The fund has underperformed its benchmark over the performance period. The fund's benchmark changed from the UK Consumer Price Index (CPI) plus 3% to the FTSE EPRA NAREIT Developed Net Total Return in July 2024 and performance is measured against the chain linked benchmarks.

The main driver of the underperformance was the historically elevated levels of inflation experienced in the UK during 2022, as well as the fund's style bias. The fund favours higher-quality companies with faster-growing earnings in leading global cities. These were more adversely impacted by the unprecedentedly rapid increases in interest rates in 2022. The strong fundamentals of these same holdings led to improved performance in 2023, as interest rates remained higher than the market had initially predicted, benefitting less indebted companies with faster-growing earnings.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. We are continually improving our investment process, most recently using higher-frequency rental data to ensure that we remain ahead of the market in identifying changes in the outlook for the fund's holdings. The fund's strong performance versus peers strengthens confidence in our investment approach.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Diversified Income Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** 3-5% income per year

## 1. Performance



**Performance commentary:** The fund underperformed its comparator benchmark but delivered its primary income target over the performance period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Global Emerging Markets Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** MSCI Emerging Markets (Net Total Return)

## 1. Performance

**Performance commentary:** While positive in absolute terms, the fund has modestly underperformed its benchmark over the performance period. Over the period, 2021 and 2022 were the years with the most negative relative returns. 2021 coincided with the Covid-19 pandemic, and although our cautious positioning aimed to manage uncertainty, it led to underperformance as markets recovered. Meanwhile, 2022 saw elevated market volatility when Russia invaded Ukraine, and all Russia holdings in the fund were marked to zero during the year. Subsequently, we were able to exit some Russian names and recover some value.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. Long-term performance remains in good shape and our investment process continues to demonstrate a strong long-term track record. That said, we keep our investment process under continuous review to identify elements that can be improved. As markets increasingly focus on fundamentals rather than geopolitics, we expect performance to return to long-term trend. To that end, the fund experienced strong relative performance in 2024.

## 2. Quality of service

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

## 3. Authorised fund manager costs

We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates

Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale

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

## 6. Comparable services

We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 7. Classes of shares or units

Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Energy Transition Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Comparator Benchmark 1:** MSCI Global Alternative Energy (Net Return)

**Comparator Benchmark 2:** MSCI All Country World Index (Net Return)

## 1. Performance



**Performance commentary:** Over the past three years, energy transition equities have encountered significant headwinds, leading to the underperformance of the fund relative to its secondary benchmark comparator, the MSCI All Country World Index (ACWI). Notably, the fund has strongly outperformed its sector-specific comparator, the MSCI Global Alternative Energy.

In 2022, the sector initially saw robust earnings growth due to strong demand for alternative energy solutions. This positive trend shifted in the latter half of 2022 influenced by persistent inflation, higher interest rates, and political uncertainty. By 2023, the sector experienced a downturn, with the MSCI Global Alternative Energy Index ending the year significantly lower as the "sustainable energy bubble" burst. The challenges continued in 2024, and while certain sub-sectors like electrical equipment showed relative strength, overall performance remained weak.

A significant factor in this underperformance was the strong performance of broader equities in sectors where the fund cannot invest, particularly technology stocks. The fund's focus on the energy transition limited investment opportunities in technology and semiconductor-linked companies, which have been crucial drivers of broader equity performance.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. Looking ahead to 2025, there is cautious optimism about improved performance potential. However, the alternative energy sector remains sensitive to macroeconomic and political headwinds, and the ability of companies to deliver on expected earnings growth will be crucial for improved fund performance.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Equity Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** MSCI World (Net Return) (GBP)

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Global Equity Income Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** MSCI World (Net Return) (GBP)

## 1. Performance



**Performance commentary:** While positive in absolute terms, the fund has underperformed its benchmark over the performance period. The fund is managed in a value style which means seeking out companies that have been overlooked by the market and that are trading at a significant discount to their fair value. Over the past three years, value-style portfolios have experienced notable underperformance. Not owning some of the largest and most expensively priced companies in the index, such as Nvidia, Apple, and Microsoft, all of which have performed very strongly, has been a detractor for the fund relative to its benchmark.

What reassures us as value investors during these more difficult times, is that there is strong support from many decades of data that valuations matter more than anything else over longer-term time horizons. Such has been the longer-term underperformance of value versus growth that we continue to see considerable room for recovery, both from an absolute and relative perspective.

It is also worth emphasising that absolute returns from global value equities have been robust, with companies in the cheapest parts of the market performing well both operationally and financially, despite a challenging and volatile macroeconomic backdrop. While the stock market has not rewarded this straight away, we believe in time other investors will recognise the value we see.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. The nature of our concentrated, benchmark-unaware approach means the fund may go through periods of volatility. However, the value opportunity set remains broad and encouragingly diverse, with plenty of stocks from across different sectors and geographies trading at discount to their fair value.

It is our firm belief that the fund holds a portfolio of companies with the most attractive risk / reward profiles available to global equity market investors and investors will ultimately be rewarded for their patience. For investors with a genuine five-year time horizon, history suggests that this is an attractive time to invest in our long-term value style.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Healthcare Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Multi-Asset Adventurous Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Multi-Asset Balanced Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Multi-Asset Cautious Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Multi-Asset Growth Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Multi-Asset Moderately Cautious Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Recovery Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** MSCI World (Net Return) (GBP)

## 1. Performance



**Performance commentary:** While positive in absolute terms, the fund has underperformed its benchmark over the performance period. The fund is managed in a value style which means seeking out companies that have been overlooked by the market and that are trading at a significant discount to their fair value. Over the past three years, value-style portfolios have experienced notable underperformance. Not owning some of the largest and most expensively priced companies in the index, such as Nvidia, Apple, and Microsoft, all of which have performed very strongly has been a detractor for the fund relative to its benchmark.

What reassures us, as value investors during these more difficult times, is that there is strong support from many decades of data that valuations matter more than anything else over longer-term time horizons. Such has been the longer-term underperformance of value versus growth that we continue to see considerable room for recovery, both from an absolute and relative perspective.

It is also worth emphasising that absolute returns from global value equities have been robust, with companies in the cheapest parts of the market performing well both operationally and financially, despite a challenging and volatile macroeconomic backdrop. While the stock market has not rewarded this straight away, we believe in time other investors will recognise the value we see.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. The nature of our concentrated, benchmark-unaware approach means the fund may go through periods of volatility. However, the value opportunity set remains broad and encouragingly diverse, with plenty of stocks from across different sectors and geographies trading at a discount to their fair value.

It is our firm belief that the fund holds a portfolio of companies with the most attractive risk / reward profiles available to global equity market investors and investors will ultimately be rewarded for their patience. For investors with a genuine five-year time horizon, history suggests that this is an attractive time to invest in our long-term value style.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Sustainable Food and Water Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Sustainable Growth Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** MSCI All Country World Index (Net Return) (USD)

## 1. Performance



**Performance commentary:** A challenging market environment has persisted throughout the performance period. The sustainability orientation of the fund has also precluded a number of large benchmark constituents which have significantly driven market performance from being held in the fund. Poor stock selection and a significant underweight to the US equity market also detracted from performance.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. Despite the disappointing performance, the emphasis on sustainability has been maintained in line with the fund's philosophy and investment guidelines. We have increased the coverage of our sustainability analysis to further expand the investible opportunity set into segments of the market that offer attractive near-term return potential.

This is providing us with a stream of new investment ideas and more importantly different market exposures that will compete for capital within the fund's portfolio. This gives us additional scope to manage portfolio risk, enhance returns and change the major factor exposures (country, sector, industry) of the fund, if deemed appropriate.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Global Sustainable Value Equity Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** MSCI World (Net Return) (GBP)

Chain linked: FTSE Customised All-Share excluding Ethically Screened (Gross Total Return) Index up to 15/08/2021, FTSE Customised All-Share excluding Ethically Screened (Gross Total Return) Index up to 31/03/2021

## 1. Performance



**Performance commentary:** The fund changed its investment strategy in August 2021, so the performance period partly reflects its history as a UK Responsible Equity fund and then as a Global Sustainable Value strategy. While positive in absolute terms, the fund has underperformed its benchmark over the performance period. Over the past three years, value-style portfolios have experienced notable underperformance. Not owning some of the largest and most expensively priced companies in the index, such as Nvidia, Apple, and Microsoft, all of which have performed very strongly has been a detractor for the fund relative to its benchmark.

What reassures us, as value investors during these more difficult times, is that there is strong support from many decades of data that valuations matter more than anything else over longer-term time horizons. Such has been the longer-term underperformance of value versus growth that we continue to see considerable room for recovery, both from an absolute and relative perspective.

It is also worth emphasising that absolute returns from global value equities have been robust, with companies in the cheapest parts of the market performing well both operationally and financially, despite a challenging and volatile macroeconomic backdrop. While the stock market has not rewarded this straight away, we believe in time other investors will recognise the value we see.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. The nature of our concentrated, benchmark- unaware approach means the fund may go through periods of volatility. However, the value opportunity set remains broad and encouragingly diverse, with plenty of stocks from across different sectors and geographies trading at a discount to their fair value.

It is our firm belief that the fund holds a portfolio of companies with the most attractive risk / reward profiles available to global equity market investors and investors will ultimately be rewarded for their patience. For investors with a genuine five year time horizon, history suggests that this is an attractive time to invest in our long-term value style.

We are satisfied that the fund is meeting its mandate of investing in cheap companies that are deemed to be sustainability leaders.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder High Yield Opportunities Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Income Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE All Share (Total Return) (GBP)

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Income Maximiser

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** 7% income per year

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Income Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** 3-5% income per year

Chain linked: UK Consumer Price Index up to 12/11/2021

## 1. Performance



**Performance commentary:** The fund marginally missed its income target but outperformed its peer group comparator (IA Mixed Investment 20-60% Shares) over the performance period. The fund is also within its volatility target range.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder India Equity Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** MSCI India (Net Return) (USD)

## 1. Performance



**Performance commentary:** In 2020, Indian equities thrived, enabling the fund to outperform thanks to effective stock selection in the financials, consumer staples, and communication services sectors.

From 2021 to 2022, the market shifted towards value and momentum stocks due to rising interest rates and commodity prices, adversely affecting growth-oriented firms. Despite the fund's focus on quality and a bottom-up, benchmark-agnostic strategy, its performance declined owing to poor stock selection in 2022. A notable factor in the fund's underperformance was its lack of exposure to the Adani Group, whose share prices surged dramatically during 2022 due to aggressive acquisitions, with some companies doubling or tripling in value. Recession fears in Western markets also influenced the share prices of IT consultancy firms held by the fund. Although management believed in these firms' potential for benefit from digital transformation trends accelerated by remote work, late 2022 fears hurt project pipelines and share prices.

Overall, while the fund's underperformance in 2021 and 2022 was partially recovered in the first half of 2023 due to stabilising interest rates and declining commodity prices, it again underperformed in the latter half, especially in industrials and materials. In 2024, the fund delivered strong returns, significantly outperforming the benchmark due to excellent stock selection across industrial, utilities, and IT sectors, along with effective positioning in healthcare and an underweight in energy.

**Remedial action:** In the first half of 2024, the fund implemented various changes to enhance its portfolio diversification. We are also considering other investment strategy enhancements.

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Institutional Pacific Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** MSCI Pacific excluding Japan (Net Total Return) Index

Chain linked: MSCI Pacific excluding Japan (Gross Total Return) Index up to 01/07/2023

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Institutional UK Smaller Companies Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE Small Cap excluding Invest Trust (Total Return) (GBP)

## 1. Performance

**Performance commentary:** Like most UK equity small-cap active managers during the performance period, the fund has underperformed its benchmark. Only one of 40 funds in the IA UK Smaller Companies sector outperformed the FTSE Small Cap ex IT Index over the performance period, highlighting how unusually challenging this period has been for active managers.

From a positioning perspective, funds that have a deep value focus have coped modestly better, as financials and conventional energy exposures have outperformed. The above insight does not mean the fund has been immune to stock-specific setbacks. However, the fund performed better than the majority of its peers over the recommended holding period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. Given the higher levels of individual risk within small-cap stocks and lower liquidity, we are careful to ensure capital is well diversified, with the fund invested in 100 securities in total.

The underperformance we observe by most small-cap managers in recent years suggests that other factors have contributed to the underperformance. Whilst this is a tricky period, we are unwavering in our focus to deliver long-term attractive returns for investors as we have done over the +30 year life cycle of this product.

## 2. Quality of service

We have assessed key service areas relating to our operations, our investment process and our investor experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. As part of this we identified an operational issue within the fund. This issue was addressed appropriately and we have remediated our controls. We have otherwise concluded that we provide value to our clients in our quality of service, along with a mature and effective framework for fund oversight and the reporting of risks.

## 3. Authorised fund manager costs

We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates

Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale

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

## 6. Comparable services

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

## 7. Classes of shares or units

All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Islamic Global Equity Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Comparator Benchmark:** IA Global

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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



# Schroder Long Dated Corporate Bond Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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



# Schroder Managed Balanced Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

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

## 1. Performance



**Performance commentary:** The fund modestly underperformed its peer group comparator (IA Mixed Investment 40-85% Shares) over the performance period. This is a balanced fund of Schroder funds and we believe that the combination of using active allocation and security selection positions the fund to adapt to future market environments.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



We have assessed key service areas relating to our operations, our investment process and our investor experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. As part of this we identified an operational issue within the fund. This issue was addressed appropriately and we have remediated our controls. We have otherwise concluded that we provide value to our clients in our quality of service, along with a mature and effective framework for fund oversight and the reporting of risks.

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder MM Diversity Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** UK Consumer Price Index Lagged

## 1. Performance



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

## 2. Quality of service



We have assessed key service areas relating to our operations, our investment process and our investor experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. As part of this we identified an operational issue within the fund. This issue was addressed appropriately and we have remediated our controls. We have otherwise concluded that we provide value to our clients in our quality of service, along with a mature and effective framework for fund oversight and the reporting of risks.

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Monthly Income Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** 5% income per year

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Prime UK Equity Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** FTSE All Share (Gross Total Return) Index

## 1. Performance



**Performance commentary:** The fund modestly underperformed its benchmark but delivered strong returns versus its peer group comparator (IA UK All Companies) over the performance period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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



# Schroder QEP Global Active Value Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** MSCI All Country World Index (Net Return)

## 1. Performance



**Performance commentary:** The fund outperformed its benchmark reference index over 2021 and 2022, with strong stock selection from a variety of areas aiding performance, though it fell behind in 2023 and 2024. The fund remains behind over the performance period due to challenged performance during these two years but remains comfortably ahead versus the relevant Value Index over a range of rolling time periods, as the strategy continues to provide an efficient solution to access the Value opportunity set in a diversified manner.

The key driver of underperformance over the last two years was the underweight position in the "Magnificent 7" stocks, many of which fall outside of our value universe. The vast majority of the fund's underperformance is explained by these seven names. The large weights of these stocks in the index has driven significant concentration, resulting in their performance impact being pronounced. Considering 2024, this short list of stocks more than accounted for the underperformance of the fund. Nvidia, which rose 171%, represented almost half of the performance drag, with Amazon, Apple, Tesla, Meta and Alphabet representing a similar drag.

With value out of favour in 2023 and 2024, stylistic headwinds were significant given this fund adopts a dedicated value strategy. This has detracted from fund performance versus its Target benchmark (MSCI All Country World Index) and given our diversified approach with a handful of big technology stocks in the US driving the market returns.

**Remedial action:** We maintain our conviction in the QEP investment process and philosophy which is strategic in nature and has been in place since the fund's inception. However, constantly changing market conditions demand new ideas and fresh perspectives. While QEP's strategic anchoring on the identification of value and quality opportunities alongside environmental, social, and governance (ESG) considerations remains unaltered, the team is continually searching for ways to incrementally enhance its approach to stock selection and portfolio construction.

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder QEP Global Core Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** MSCI World (Net Return) (GBP)

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder QEP US Core Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Constraining Benchmark:** S&P 500 (Net Return)

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Recovery Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE All Share (Total Return) (GBP)

## 1. Performance

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

## 2. Quality of service

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

## 3. Authorised fund manager costs

We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services

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

## 4. Comparable market rates

Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale

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

## 7. Classes of shares or units

Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Sterling Broad Market Bond Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Sterling Corporate Bond Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** ICE Bank of America Merrill Lynch Sterling Corporate & Collateralised (Total Return)

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

The fund is due to be renamed from the Schroder Sterling Short Dated Broad Market Fund to the Schroder Sterling Short Term Bond Fund in April 2025. For the fund's performance data as at 31 December 2024, please refer to the relevant factsheet in the 'Previous Versions' icon in the Documents section of the fund's page on the Schroders Global Fund Centre [here](#).

# Schroder Sterling Short Dated Broad Market Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

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

## 1. Performance



**Performance commentary:** The fund modestly underperformed its benchmark but performed strongly versus other funds in its Morningstar peer group over the performance period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Strategic Bond Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Strategic Credit Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

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

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder Sustainable Bond Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** ICE Bank of America Sterling 3 Month Government Bill Index plus 2.5%

Chain linked: ICE Bank of America Sterling 3-Month Government Bill Index plus 1% up to 21/02/2022, 3 month GBP LIBOR plus 1% up to 28/06/2021

## 1. Performance



**Performance commentary:** As a result of challenging performance and a lack of client interest, this fund was redesigned to its current form in early 2022. The change was to meet demand for a sustainably focused fixed income investment in the UK, in recognition that in its previous form it generated minimal demand.

Commenting on the period since restructure, the main period of benchmark-relative underperformance was during 2022, where our expression of a consistent "slowing global growth" theme generated negative performance. In hindsight, we were too early in implementing this view, as the market remained much more engaged with inflation and rising interest rate expectations, which caused yields to rise significantly.

**Remedial action:** In 2023, the team was restructured under a new Head of Global Unconstrained Fixed Income, with changes to the investment process made, incorporating a more dynamic asset allocation. A shift from themes to a more agile, scenario-based process means that investment views that are not playing out are more quickly reconsidered and positions that are underperforming modified.

Furthermore, an increased quantitative resource has supported risk management through greater use of quantitative models to help mitigate potential bias. We expect this will help to attract investors looking for a viable sustainable fixed income strategy. Since the changes made in 2023, there has been an improvement in performance versus the Target benchmark. While this has so far been insufficient to mitigate the previous relative negative performance, the fund is now much more competitive relative to its peer group.

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

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Sustainable Future Multi-Asset Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** ICE Bank of America Sterling 3-Month Government Bill Index plus 3.5%  
Chain linked: UK Consumer Price Index plus 4% up to 01/04/2022

## 1. Performance



**Performance commentary:** The fund has two objectives: to deliver a return of 3.5% above its cash benchmark (prior to 1 April 2022, the fund's return objective was 4% per annum above the UK Consumer Price Index (as a measure of inflation) and a volatility (a statistical measure of the fluctuations in a security's price or market) objective to be between one-half and two-thirds than that of the global stock market.

In seeking to achieve an absolute level of return (either an un-investable inflation plus benchmark or a cash plus benchmark), as opposed to a market-based benchmark, when global markets are returning less than 3.5% above cash (or previously 4% above inflation) it becomes inevitable that the fund will have periods when it will underperform that target. During the first half of 2020 and 2022, global stock markets suffered significant declines, which directly affected our ability to deliver the fund's objectives. In the first half of 2023, the fund was positioned defensively for an economic slowdown which did not materialise as expected. As a result, the fund did not capture much upside as markets rallied, causing the fund to fall behind its target. The fund has met its volatility objective over the last five years.

**Remedial action:** The fund's name, investment objective and investment policy were changed on 1 April 2022. These changes better reflect the way the fund is currently managed by offering more transparency on how sustainability is built into the fund's investment approach. Sustainability has been an important feature of the fund's investment process over the last two and a half years as we have introduced sustainable components and environmental, social, and governance (ESG) analysis into asset allocation decisions. The fund's sustainability credentials are a key topic of discussion with clients, as ESG analysis is at the heart of our investment process.

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

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Sustainable Multi-Factor Equity Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** MSCI All Country World Index (Net Return)

## 1. Performance



**Performance commentary:** The fund modestly underperformed its benchmark but performed strongly versus other funds in its Morningstar peer group over the performance period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Sustainable UK Equity Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE All Share (Total Return) (GBP)

## 1. Performance



**Performance commentary:** The fund has underperformed over the performance period. The benchmark has been particularly challenging to beat over the last three years, influenced by large-cap stocks materially outperforming small and mid-cap stocks. Benchmarks can be easier or harder to outperform at different stages of the cycle and we have clearly been through a difficult phase for active managers.

Secondly, and more recently, the sustainability mandate of the fund weighed on relative returns. For instance, the zero allocation to outperforming conventional energy exposures and defence exposures has not been helpful for relative returns, while exposing the fund to underperforming alternative energy exposures has further impacted performance.

**Remedial action:** The investment policy will soon be updated to reflect the attachment of a Sustainability Disclosure Requirement (SDR) sustainable focused label.

We do not believe that material changes to the fund or our investment approach are required. The core focus continues to be constructing a fund portfolio consisting of stocks which offer long-term capital growth and are providing products or services which provide positive contributions to society.

The appeal of UK small and mid-cap stocks has been waning in recent years. In addition, the recent environment of higher than normal inflation and higher rates has contributed furthermore to this tough period of relative performance for UK equity active managers. The market environment has evolved and the fund provides a differentiated performance pathway from most passive UK equity exposures.

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

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Tellworth UK Dynamic Absolute Return Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark 1:** Absolute Return Benchmark

**Target Benchmark 2:** FTSE All Share (Total Return) (GBP)

## 1. Performance



**Performance commentary:** While the fund underperformed its benchmark, it delivered absolute returns meeting one of its primary objectives, over the performance period.

**Remedial action:** The fund is proposed to merge with the Premier Miton Tellworth UK Dynamic Absolute Return Fund through a Scheme of Arrangement, scheduled for May 2025. A public notification has been issued to investors, and the outcome of the proposed merger will be subject to a vote at the Extraordinary General Meeting (EGM).

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Tokyo Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** Tokyo Stock Exchange 1st Section (Net Total Return) Index

Chain linked: Tokyo Stock Exchange 1st Section (Gross Total Return) Index up to 01/07/2023

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder UK Alpha Income Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** FTSE All Share (Total Return) (GBP)

## 1. Performance

**Performance commentary:** The fund has underperformed modestly over the performance period. The benchmark has been particularly challenging to beat over the last three years, influenced by large-cap stocks materially outperforming small and mid-cap stocks. This has not helped our aim of delivering on our five-year performance target. Benchmarks can be easier or harder to outperform at different stages of the cycle and we have clearly been through a difficult phase for active managers.

**Remedial action:** The fund is proposed to merge into the Schroder Prime UK Equity Fund, scheduled for June 2025. A public notification has been issued to investors, and the outcome of the proposed merger will be subject to a vote at the Extraordinary General Meeting (EGM) held on the 22 May 2025.

## 2. Quality of service

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

## 3. Authorised fund manager costs

We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services

We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 4. Comparable market rates

Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units

All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale

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

# Schroder UK Alpha Plus Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** FTSE All Share (Total Return) (GBP)

## 1. Performance



**Performance commentary:** The sharp underperformance in 2022 continues to weigh heavily on performance over the period. The fund suffered severely from positioning in that particular year, due to the greater exposure to underperforming small and mid-cap stocks, while the fund's quality growth style bias also detracted.

Since the end of 2020, most active UK equity managers have struggled to outperform the FTSE All Share Index. Inflation and the cost of debt, alongside several other factors have evolved materially since then; this has been positive for sectors which carry material weightings within the FTSE All Share Index, for example Energy.

Active managers have suffered from UK mid-cap stocks falling deeply out of favour. UK mid-cap stocks have returned positive returns over the last twenty years, outperforming the larger FTSE 100 Index but not without periods of weakness. More recently, the space has suffered from UK equity funds experiencing large redemptions due to a preference for global equity solutions. Whilst the recent environment has not been fruitful for UK equity active managers, we are disappointed that we have not been able to offset the impact on returns by positive stock selection in the period. At the stock level, detractors have included Entain, Future, St James's Place and Close Brothers.

**Remedial action:** The market environment is evolving and inflation has receded, leading to the potential for interest rates to also recede. This should be positive for small and mid-cap stocks. Therefore, we believe positioning will no longer have such a negative influence on relative performance.

As at 1 February 2025, the portfolio manager structure was changed. The portfolio manager team are capable and experienced investors who we believe can improve performance outcomes looking forward.

We believe the fund has suffered materially from positioning and switching the positioning of the portfolio at this point is not in the best interests of unitholders. However, we do aim to reduce the volatility of relative performance and also improve security selection outcomes. In order to reduce volatility, one action is to increase the number of holdings in the portfolio as well as build positions in large-cap stocks. For instance, the team have increased the holding in AstraZeneca, as well as building positions in Hikma Pharmaceuticals and Legal & General. The number of holdings in the portfolio has increased to 37 names, and the typical range in future should be 35-40 (previously 30-35).

The sell discipline has also been a focus area for the portfolio manager, who has introduced a framework for assessing the quality credentials of stocks. We believe this is an aspect which needed enhancing and can contribute to an improvement in security selection outcomes.

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder UK Dynamic Smaller Companies Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** Numis Small Companies plus AIM excluding Investment Companies (Total Return) (GBP) Index

Chain linked: FTSE Small Cap excluding Investment Trust (Gross Total Return) Index up to 09/01/2023

## 1. Performance



**Performance commentary:** Performance over the last three years in particular has been tough for active UK small-cap equity managers and not helped our aim of delivering on our five-year performance target. Benchmarks can be easier or harder to outperform at different stages of the cycle and we have clearly been through a difficult phase for active managers. Funds which have a deep value focus have coped modestly better, as financials for instance have outperformed. The above insight does not mean the fund has been immune to stock-specific setbacks. With hindsight, we have got some of our position sizing wrong and could have acted faster when spotting waning operational momentum in certain holdings.

**Remedial action:** On 1 December 2023, the portfolio manager structure of the team was changed.

In addition to material adjustments at the security level, the appointed fund manager has increased the weighted average market capitalisation profile of the portfolio. As noted above, we are conscious that smaller-cap, less liquid equity securities have suffered from a large wave of outflows and we have no visibility on when this may possibly reverse.

Performance outcomes have not yet improved and the future of the fund is under review.

## 2. Quality of service



We have assessed key service areas relating to our operations, our investment process and our investor experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. As part of this we identified an operational issue within the fund. This issue was addressed appropriately and we have remediated our controls. We have otherwise concluded that we provide value to our clients in our quality of service, along with a mature and effective framework for fund oversight and the reporting of risks.

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder UK Mid 250 Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE 250 excluding Investment Trust (Total Return) (GBP)

## 1. Performance



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

## 2. Quality of service



We have assessed key service areas relating to our operations, our investment process and our investor experience. We also looked at our liquidity management process, as well as the nature of fund complaints and breaches as appropriate. As part of this we identified an operational issue within the fund. This issue was addressed appropriately and we have remediated our controls. We have otherwise concluded that we provide value to our clients in our quality of service, along with a mature and effective framework for fund oversight and the reporting of risks.

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder UK Multi-Cap Income Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark 1:** FTSE All Share (Gross Total Return) Index

**Target Benchmark 2:** 5% income per year

## 1. Performance



**Performance commentary:** The sharp underperformance in 2022 continues to weigh heavily on performance over the period. The fund suffered severely from positioning in that particular year, due to the greater exposure to underperforming small and mid-cap stocks, while the fund's quality growth style bias also detracted.

Since the end of 2020, most active UK equity managers have struggled to outperform the FTSE All Share Index. Inflation and the cost of debt, alongside several other factors, have evolved materially since then. This has been positive for sectors which carry material weightings within the FTSE All Share Index, for example Energy.

Active managers have suffered from UK mid-cap stocks falling deeply out of favour. UK mid-cap stocks have returned positive returns over the last twenty years, outperforming the larger FTSE 100 Index but not without periods of weakness. More recently, the space has suffered from UK equity funds experiencing large redemptions due to a preference for global equity solutions. Whilst the recent environment has not been fruitful for UK equity active managers, we are disappointed that we have not been able to offset the impact on returns through positive stock selection in the period. At the stock level, detractors have included Strix Group, Aker BP and Close Brothers.

**Remedial action:** The fund has delivered on its income objective but not on performance as yet. We aim to reduce the volatility of the relative performance and also improve security selection outcomes. In order to reduce volatility, we have initiated positions in larger cap exposures in the benchmark, like AstraZeneca.

We observe less demand for UK equity income funds and a recovery in demand is questionable. Consequently, the future viability of the fund is under review.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder UK Smaller Companies Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** FTSE Small Cap excluding Invest Trust (Total Return) (GBP)

## 1. Performance

**Performance commentary:** Like most UK equity small-cap active managers during the performance period, the fund has underperformed its benchmark. Only one of 40 funds in the IA UK Smaller Companies sector outperformed the FTSE Small Cap ex IT Index over the performance period, highlighting how unusually challenging this period has been for active managers.

From a positioning perspective, funds which have a deep value focus have coped modestly better, as financials and conventional energy exposures have outperformed. The above insight does not mean the fund has been immune to stock-specific setbacks. However, the fund performed better than the majority of its peers over the recommended holding period.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future. Given the higher levels of individual risk within small-cap stocks and lower liquidity, we are careful to ensure capital is well diversified, with the fund invested in 100 securities in total.

The underperformance we observe among most small-cap managers in recent years suggests that other factors have contributed to the underperformance. Whilst this is a tricky period, we are unwavering in our focus to deliver long-term attractive returns for investors as we have done over the +30 year life cycle of this product.

## 2. Quality of service

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

## 3. Authorised fund manager costs

We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates

Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale

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

## 6. Comparable services

We have reviewed the charges for each share class of the fund against other comparable funds and/or segregated mandates managed by Schroders. We have concluded that the fees associated with the fund are reasonable and appropriate.

## 7. Classes of shares or units

Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder UK-Listed Equity Income Maximiser Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** 7% income per year

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroder US Equity Income Maximiser

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** 5% income per year

## 1. Performance



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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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



# Schroder US Mid Cap Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** Russell 2500 (Net Return) (Lagged) (GBP)

Chain linked: Russell 2500 Total Return (Gross Total Return) Index up to 01/07/2023

## 1. Performance



**Performance commentary:** The fund's performance is in line with long-term expectations, where losses are limited when markets are in negative territory but lags when markets are up. 2024 was a strong year for US equities, with lower-quality and momentum factors outperforming; these are factors not suited to our investment process. The top detractor was stock selection in Rentokil, which is digesting a major US acquisition, and Hexcel, tied to the aviation manufacturing cycle. We have managed the upside/downside capture since the launch of the fund in 2005, demonstrating the consistency of the investment process over the long term.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder US Smaller Companies Fund

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below. Where an area has resulted in an action being taken, we have included the measures we are taking to try and improve this area.

**Target Benchmark:** Russell 2000 (Net Return) (Lagged) (GBP)

Chain linked: Russell 2000 (Gross Total Return) Index up to 01/07/2023

## 1. Performance



**Performance commentary:** The fund's performance over the period is still affected by the underperformance experienced in 2020, when markets reacted abnormally during Covid-19, contrary to the long-term investment process. Lower-risk and higher-risk companies swapped places in a short period of time, meaning the steadier types of companies in the fund's portfolio did not offer the usual protection experienced in previous years. Most importantly the fund stayed true to its investment process allowing for a recovery in performance in subsequent years.

**Remedial action:** We do not believe any remedial action is required. We continue to have confidence in the fund's investment strategy and in our ability to deliver on its investment objective in the future.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



Where share classes exist in a fund with substantially similar rights, but different fee levels, we seek to identify and convert investors in these classes to the cheapest of the available appropriate share classes, where feasible, on a semi-annual basis. During the year we identified a small number of investors who had not yet been converted to a cheaper available share class. Subsequently, these investors were converted during the automatic share class conversion in November 2024. Other than this, we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroder Worldwide Equity Portfolio

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** 60% MSCI All Country World Index (Net Total Return) (GBP) Index and 40% MSCI All Country World Index excluding USA (Net Total Return) (GBP) Index

## 1. Performance



The fund has less than 12 months performance history so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Our assessment found that the fund is cheaper or priced in line with the majority of funds within its Morningstar category, and is therefore demonstrating value to our clients by being competitively priced.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroders (Future Growth Capital) UK Private Assets LTAF

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** Total return of 12% per annum

## 1. Performance



The fund has less than 12 months performance history so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroders Capital Climate+ LTAF

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** Capital growth between 8% and 10% per annum

## 1. Performance



The fund has not reached its recommended performance period so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroders Capital Global Private Equity LTAF

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** Capital growth in excess of 10% per annum

## 1. Performance



The fund has less than 12 months performance history so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroders Capital UK Innovation LTAF

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** Capital growth in excess of 10% per annum

## 1. Performance



The fund has less than 12 months performance history so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 6. Comparable services



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

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

## 5. Economies of scale



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

# Schroders Capital UK Real Estate Fund

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** AREF/Investment Property Databank UK Pooled Property Fund Indices – All Balanced Funds Index Weighted Average

## 1. Performance



**Performance commentary:** The underperformance experienced over the performance period can be attributed to:

- The relative overweight position in the office sector, which has seen negative returns due to adverse sentiment following the pandemic
- Rapid outward yield movement across sectors following the increase in UK bond yields and an uncertain economic outlook
- In line with emerging best practice and governance, the fund changed its independent valuer in April 2023. Differences in valuer opinion subsequently resulted in valuation declines for some office and industrial assets
- Additionally, the fund has recorded a significant increase in redemption volumes since the second half of 2022, driven by Defined Benefit ('DB') pension schemes reaching maturity and accelerating derisking strategies, compounded by Local Government Pension Scheme ('LGPS') pooling also leading to redemptions
- As part of the liquidity management strategy, the fund continues to market assets to ensure liquidity and extract best price. Exposing assets in this way also sometimes resulted in low speculative bids from opportunistic buyers that did not proceed, arguably providing the valuers with evidence to mark down asset values ahead of some peers who have not needed to progress asset sales to the same extent

### Remedial action:

The investment team have taken the following actions to improve performance and match redemption requests:

- Adopting a disciplined liquidity management strategy, disposing of assets that are no longer additive to performance
- Focus on growing income through an active management approach
- Reduction in the loan-to-value ('LTV') and associated interest expenses following a significant repayment of the revolving credit facility ('RCF')
- Matching redemptions on the secondary market reducing the need for the fund to progress sales, limiting any associated negative performance impacts
- Actively seeking to further reduce the overweight position to offices and increasing exposure to sectors that we believe will deliver positive performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroders Capital UK Real Estate Fund Feeder Trust

## Overall conclusion

Taking into account all seven areas, we recognise that the fund is not demonstrating value consistently in the Performance area. We have completed a further review and shared the outcomes of this review below.

**Target Benchmark:** AREF/Investment Property Databank UK Pooled Property Fund Indices – All Balanced Funds Index Weighted Average

## 1. Performance



**Performance commentary:** The underperformance experienced over the performance period can be attributed to:

- The relative overweight position in the office sector, which has seen negative returns due to adverse sentiment following the pandemic
- Rapid outward yield movement across sectors following the increase in UK bond yields and an uncertain economic outlook
- In line with emerging best practice and governance, the fund changed its independent valuer in April 2023. Differences in valuer opinion subsequently resulted in valuation declines for some office and industrial assets
- Additionally, the fund has recorded a significant increase in redemption volumes since the second half of 2022, driven by Defined Benefit ('DB') pension schemes reaching maturity and accelerating derisking strategies, compounded by Local Government Pension Scheme ('LGPS') pooling also leading to redemptions
- As part of the liquidity management strategy, the fund continues to market assets to ensure liquidity and extract best price. Exposing assets in this way also sometimes resulted in low speculative bids from opportunistic buyers that did not proceed, arguably providing the valuers with evidence to mark down asset values ahead of some peers who have not needed to progress asset sales to the same extent

### Remedial action:

The investment team have taken the following actions to improve performance and match redemption requests:

- Adopting a disciplined liquidity management strategy, disposing of assets that are no longer additive to performance
- Focus on growing income through an active management approach
- Reduction in the loan-to-value ('LTV') and associated interest expenses following a significant repayment of the revolving credit facility ('RCF')
- Matching redemptions on the secondary market reducing the need for the fund to progress sales, limiting any associated negative performance impacts
- Actively seeking to further reduce the overweight position to offices and increasing exposure to sectors that we believe will deliver positive performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Our assessment found that at least one of the fund's share classes has higher charges than the majority of funds within its Morningstar category. We conducted further analysis of our pricing and concluded that the amount we charge is reasonable and appropriate in light of the fund's investment process. We will continue to monitor this on an ongoing basis.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Schroders Greencoat Global Renewables+ LTAF

## Overall conclusion

Taking into account all seven areas, we believe that the fund is demonstrating value overall. We have summarised our assessment of each area below.

**Target Benchmark:** Total return between 7% to 9% per annum

## 1. Performance



The fund has less than 12 months performance history so we are unable to fully assess performance at this time to be able to rate the fund. However, the performance of the fund is monitored in line with Schroders' product governance oversight framework.

## Sustainability performance

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

## 2. Quality of service



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

## 3. Authorised fund manager costs



We have conducted a review of the costs incurred for this fund at the share class level, considering both the fees we receive and the services we provide. Based on this analysis, we conclude that the Schroders Annual Charge (SAC) is reasonable.

## 4. Comparable market rates



Due to the specific characteristics of the fund, it is not comparable to other funds within its Morningstar category and therefore does not have a suitable peer group that we can compare the fund's charges against.

## 5. Economies of scale



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

## 6. Comparable services



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

## 7. Classes of shares or units



All available share classes have been comprehensively reviewed and we have concluded that investors are in the cheapest share classes available to them given how they are investing and the features they are looking for.

# Glossary of Terms

---

## Absolute return

An asset's standalone return (gain or loss) over time regardless of the impact that inflation may have on the real value of returns. It is not compared to anything else such as a benchmark or another asset.

---

## Active management

The management of investments based on active decision-making rather than with the objective of replicating the return of an index. The manager aims to beat the market through research, analysis and their own judgement.

---

## AFM (Authorised Fund Manager)

The AFM is responsible for the overall management of the fund and may appoint an investment manager to invest money on behalf of clients. An authorised investment fund is one that is authorised and regulated by the UK financial regulator, the FCA. *Please also see FCA definition.*

---

## Alternative asset

An investment outside of the traditional asset classes of equities, bonds and cash. Alternative investments include property, hedge funds, commodities, private equity, and infrastructure.

---

## AMC (Annual Management Charge)

Following the introduction of the Schroders Annual Charge, AMC has been replaced by SAC. *Please see SAC definition.*

---

## Assessment of Value

The FCA requires managers of UK funds to publish an annual report demonstrating how they are providing value to investors in their funds.

---

## Asset allocation

The apportionment of a portfolio's assets between asset classes and/or markets. For example, a fund may hold a combination of shares, bonds and cash. The weightings given vary according to the investment objective and the investment outlook.

---

## Asset class

Broad groups of different types of investments. The main investment asset classes are equities, bonds and cash. Non-traditional asset classes are known as alternative investments.

---

## Benchmark

A standard (usually an index or a market average) against which an investment fund's performance is measured.

*Please also see comparator benchmark and Target benchmark definitions.*

---

## Bond

A way for governments and companies (the issuers of the bond) to borrow money for a certain amount of time. A typical arrangement would be in exchange for an upfront payment from an investor, the issuer will make periodic interest payments to the investor and then repay the initial investment amount at the end of the bond's term (its maturity).

---

## Broad sector allocation

An investment strategy that involves distributing assets across a wide range of economic sectors to achieve diversification and reduce exposure to sector-specific risks.

---

## Capital growth

The increase in the value of an asset or investment over time.

---

## Chain-linked

Where a benchmark for a fund has changed during a performance period, performance of the fund is measured against the new benchmark from the date when the new benchmark became effective, but is measured against the previous benchmark prior to the effective date of the benchmark change.

---

## Comparator benchmark

A standard (usually an index or a market average) against which an investment fund's performance is compared to.

---

## Conservative (investment style)

Prioritises the preservation of capital over market returns by investing in lower-risk securities.

---

## Conviction (investment style)

A fund manager's strongly held belief in the view of an investment or investment approach.

---

## Country Factor

A factor used in investing to assess the economic, political, and social conditions of a specific country that can affect the performance of investments.

---

## Covid-19

The name given by the World Health Organisation (WHO) to the illness caused by the coronavirus illness which was first recorded in 2019.

---

## CPI (Consumer Price Index)

The Consumer Price Index (CPI) measures how much prices of consumer goods and services change over a period of time. For example, if CPI is 2.5% for the 12 months ending January 2020, this means that on average, the price of consumer goods will be about 2.5% higher than they were in January 2019. *Please also see Inflation definition.*

---

## Defensive stock

A stock which aims to provide consistent dividends and stable earnings regardless of the overall stock market environment.

---

## Duration

A measure of a bond investment's sensitivity to changes in interest rates. The longer the duration, the more sensitive it is. Calculating duration for a fixed income investment such as a bond is a complicated sum. It takes into account the current value of the bond, the coupon or interest payment, the book cost, and the number of years the bond has left to run. Put simply, the longer the duration number the higher the potential return (and the greater the risk).

# Glossary of Terms

---

## Emerging markets

Countries that have rapidly growing economies and may be going through the process of industrialisation. This is compared to developed markets which have already undergone this process and are considered to be already economically advanced.

---

## Equities

Also known as shares or stocks, this represents a share in the ownership of a company.

---

## ESG (Environmental, Social and Governance)

ESG represents environmental, social and governance considerations and covers issues such as climate change, energy use, labour standards, supply chain management and how well a company is run.

---

## Factor (investment style)

An approach that involves targeting specific drivers of return across asset classes.

---

## FCA (Financial Conduct Authority)

The FCA regulates the UK's financial markets. Its objective is to ensure that relevant markets function well - for individuals, for business and for the economy as a whole.

---

## FTSE All Share

A price-weighted index comprising of approximately 650 of the top UK publicly listed companies.

---

## Fundamental research

The process of identifying stocks that are undervalued by looking at the underlying investment.

---

## Gilt

A bond issued by the UK government.

---

## Growth (investment style)

Companies perceived as stable growers that investors are willing to pay a premium for on the basis of their future growth prospects.

Earnings are expected to increase at an above- average rate compared to their industry sector or the overall market.

---

## IA (Investment Association) sector

As published by the Investment Association, the IA sectors divide the fund universe to reflect the asset type, industry sector, or geographic regions funds are invested in. There are over 35 IA sectors.

---

## Index (investment style)

A passive investment strategy that seeks to replicate the returns of a benchmark index.

---

## Industry factor

A factor used in investing to assess the performance and outlook of a specific industry, such as automotive, pharmaceuticals, or financial services.

---

## Inflation

A measure of the increase in prices of goods and services over time.

---

## Investment universe

The range of stocks in which a portfolio can invest.

---

## KIID (Key Investor Information Document)

A two-page document that summarises a fund's investment objective, key risks, ongoing charges figure (*please see OCF definition*) and past performance. It is required for funds that come under EU law and is designed to allow comparability across funds.

---

## Large cap

Please see Market capitalisation definition.

---

## LIBOR

The benchmark interest rate at which global banks lend to one another. Since the end of 2021, LIBOR has been phased out and replaced by the Sterling Overnight Index Average (SONIA) as the industry standard benchmark. *Please see SONIA definition.*

---

## Liquidity

The ease with which an asset can be sold for cash. An asset can be described as illiquid if it takes a long time to sell, such as property, or if it is difficult to find someone willing to buy it.

---

## LTAIF (Long-Term Asset Fund)

A LTAIF is a type of UK-authorized open-ended investment fund specifically designed to invest in long-term, illiquid assets such as infrastructure, private equity, and real estate.

---

## Loan-to-value (LTV)

The ratio of the value of the home you want to buy and the loan you'll need to buy it, shown as a percentage.

---

## Magnificent 7

Seven high-performing large cap stocks considered to be leaders in their industries: Apple, Microsoft, Google parent Alphabet, Amazon, Nvidia, Meta Platforms and Tesla.

---

## Market capitalisation

A measure of a company's size, calculated by multiplying the total number of shares in issue by the current share price. Companies are commonly grouped according to size, such as small cap, mid cap, large cap or all cap. There is no consensus on the definition of these groupings and they may vary from fund to fund depending on the country of investment.

---

## Market cycle

The repeating pattern of fluctuations in the financial markets, usually characterised by periods of growth and decline.

---

## Mid cap

*Please see Market capitalisation definition.*

# Glossary of Terms

---

## Momentum factors

Investment criteria that focus on stocks or assets showing strong recent performance, with the expectation that their price trends will continue.

---

## Morningstar category

A classification system by Morningstar that groups funds based on their investment objectives and strategies in order to compare funds with similar characteristics.

---

## MSCI (Morgan Stanley Capital International)

An investment research firm that provides stock indices, portfolio risk and performance analytics, and government tools.

---

## Multi asset

An investment which contains a combination of asset classes, creating a group or portfolio of assets.

---

## OCF (Ongoing Charges Figure)

The OCF is made up of the Schroders Annual Charge (SAC), the administration charge and 'other' costs. The administration fee includes directly attributable costs, such as Transfer Agency costs and Fund Accounting fees, and allocated costs to support functions, such as Finance, Tax, Risk, Audit, Legal and Compliance.

---

## Overweight

When a portfolio or fund has a greater percentage weighting in an asset class, sector, geographical region or stock than the index or benchmark against which it is measured.

---

## Passive management

A style of investment management that aims to replicate the performance of a set benchmark.

---

## Peer group

A group of funds that may be compared with one another, often for performance purposes. A peer group will usually be based on the fund's investment scope.

---

## Performance period

The length of time over which we expect the fund to deliver its investment objective.

---

## Revolving Credit Facility

A type of loan provided by financial institutions that allows borrowers to access funds repeatedly up to a specified limit. This facility is commonly used by businesses to manage their short-term financing needs, providing flexibility in borrowing and repayment.

---

## S&P 500

A stock market index that tracks the average performance of the top 500 listed US companies.

---

## Schroder Investment Management (Schroders)

Schroders is a global investment manager. It actively manages investments for a wide range of institutions and individuals, to help them meet their financial goals.

---

## Schroders Annual Charge (SAC)

A single all-in-fee charged to the funds which includes the previously separated Annual Management Charge (AMC), administration fee and most of the other fees that are normally charged. It excludes the extraordinary legal/tax fees and third party fund manager costs.

---

## Sector factor

A factor used in investing to evaluate the performance and potential of a specific sector, such as technology, healthcare, or energy.

---

## Share class

A way to differentiate between different types of shares. For companies, this may mean that some shares have voting rights while others do not. Within a fund, the different share classes may represent different ways of paying the investor the income from the fund, different fees and expenses or different base currencies. For example, a fund will often have an "accumulation" share class and an "income" share class. With the former, any income produced will be automatically reinvested back into the fund (more shares will be bought in the fund). With the income share class, income can either be received as a regular payment or reinvested.

---

## Small cap

*Please see Market capitalisation definition.*

---

## SONIA (Sterling Overnight Index Average)

The interest rate paid by financial institutions during periods when the markets are closed.

---

## Target benchmark

A standard (usually an index or a market average) which an investment fund's performance aims to match or exceed.

---

## Total return

The total return of an investment is the combination of any capital appreciation (or depreciation) plus any income from interest or dividends. It is measured over a set period, and is given as a percentage of the value of the investment at the start of that period.

---

## Underweight

When a portfolio or fund has a lower percentage weighting in an asset class, sector, geographical region or stock than the index or benchmark against which it is measured.

---

## Unit class

Unit classes are a way to differentiate between different types of units in a unit trust. Where we write 'share class' in the report, it is to be construed as meaning unit/share class as applicable to the relevant fund. Please also see Share class definition.

# Glossary of Terms

---

## Unit trust

A type of open-ended pooled investment vehicle, or fund, which is structured as a trust. It is split up into equal portions called “units” which belong to the unitholder. The money paid for the units goes into a pool with other investors’ money which an investment manager uses to buy financial instruments on behalf of the unitholders, with the aim of generating a return for them.

---

## Value (investment style)

A style of investing that involves buying securities that are trading at a significant discount to their true value in the belief that over time, the asset’s relatively low price will rise to more accurately reflect the intrinsic value of the business. Value is measured by a company’s cash flows, dividends, earnings and assets.

---

## Volatility

A statistical measure of the fluctuations in a security’s price or particular market. For example, a highly volatile share experiences greater changes in price than other investments. High volatility is taken as an indication of higher risk.

---

## Yield

A measure of the income return earned on an investment. In the case of a share, the yield is the annual dividend payment expressed as a percentage of the market price of the share. For property, it is the rental income as a percentage of the capital value. For bonds, the yield is the annual interest as a percentage of the current market price.



EST. 1804

## Schroder Unit Trusts Limited

1 London Wall Place, London EC2Y 5AU, United Kingdom

T +44 (0) 20 7658 6000

 [schroders.com](https://www.schroders.com)

 [@schroders](https://twitter.com/schroders)

**Important information:** This document is intended to be for information purposes only and it is not intended as promotional material in any respect. The material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. The material is not intended to provide, and should not be relied on for, accounting, legal or tax advice, or investment recommendations. Information herein is believed to be reliable but Schroders does not warrant its completeness or accuracy. No responsibility can be accepted for errors of fact or opinion. Reliance should not be placed on the views and

information in the document when taking individual investment and/or strategic decisions. Past performance is not a reliable indicator of future results, prices of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested. Schroders has expressed its own views in this document and these may change. Issued by Schroder Unit Trusts Limited, 1 London Wall Place, London EC2Y 5AU, which is authorised and regulated by the Financial Conduct Authority. For your security, communications may be taped or monitored. 05723. 614321