

Schroder Global Equity Fund

December 2018

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1 Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

The Schroder Global Equity Fund (the 'fund') aims to provide capital growth by investing in equity and equity related securities of companies worldwide.

The fund invests at least 80% of its assets in equity or equity related securities of companies worldwide. The Investment Manager seeks to identify companies that it believes will deliver future earnings growth above the level expected by the market typically on a 3-5 year horizon (this is referred to as 'a positive growth gap').

The fund may also invest in collective investment schemes, warrants and money market instruments, and hold cash.

The fund may use derivatives with the aim of reducing risk or managing the fund more efficiently.

Financial highlights

Dealing price	14.12.18	15.12.17	% change
I Income units	751.60p	739.80p	1.60
I Accumulation units	1,018.00p	990.60p	2.77
L Income units	76.58p	74.71p	2.50
L Accumulation units	76.59p	74.77p	2.43
Z Income units	76.25p	74.48p	2.38
Z Accumulation units	76.37p	74.62p	2.35
	15.2.19	15.2.18	
Final distribution per I Income unit	9.8630p	8.3679p	

Fund information

Launch date	6 July 1988	
Launch price	100.00p per I Accumulation unit	
Launch date	30 November 1989	
Launch price	141.80p per I Income unit	
Launch date	19 February 2016	
Launch price	50.00p per L Income unit	
	50.00p per L Accumulation unit	
	50.00p per Z Income unit	
	50.00p per Z Accumulation unit	
	Interim	Final
Accounting dates	15 June	15 December
Revenue allocation date		15 February

Fund Information (continued)

Ongoing charges figure

	For the year to 15.12.18	For the period from 16.12.17	For the year to 15.12.17
I Income units	0.53% ¹	0.53%	0.53%
I Accumulation units	0.53%	0.53% ¹	0.52%
L Income units	0.86% ¹	0.86% ¹	1.00%
L Accumulation units	0.86% ¹	0.86%	0.86%
Z Income units	0.93% ¹	0.93% ¹	1.01%
Z Accumulation units	0.93% ¹	0.93%	0.96%

¹ The Ongoing charges figure was a projected figure based on the latest expenses of these unit classes.

Review of Investment Activities

From 15 December 2017 to 14 December 2018, the price of I Accumulation units on a dealing price to dealing price basis rose 2.77%. In comparison, the MSCI World Index generated a total return of 1.20%¹ in sterling terms.

Global equity markets struggled to make headway in 2018, with rising US interest rates and the strong US dollar putting pressure on emerging markets. US-China trade tensions also escalated, and the inevitable uncertainty has weighed on business investment and sentiment. European equities have been torn between supportive corporate earnings and economic growth factors, and political uncertainty surrounding Brexit and fiscal stability in Italy.

Amazon.com was the portfolio's strongest contributor. Amazon.com remains the unassailable leader in online retail, while Amazon Web Services continues to take cloud computing market share and contributes significantly to group profits. We also continue to see advertising as a key driver of margin expansion, which we do not believe is fully appreciated by the market. Continental detracted as slowing car sales and elevated inventories in the auto industry continue to weigh on investor sentiment. Over the long term, we continue to view the company as a strong, high quality long term core investment, which after the recent pullback boasts an undemanding valuation.

In 2019, volatility and short term market drawdowns are likely to increase as the headwinds facing the global economy pick up, and monetary policy grows less accommodative. That said, these bouts of volatility should serve to increase the opportunity for fundamental, bottom up managers. We will look to capitalise on periods of excessive negative sentiment to build or buy into opportunities where earnings progression looks clear, but underappreciated.

Fund Manager:
Alex Tedder



Joined Schroders in 2014

Investment career commenced in 1990

Currently Head of Global Equities, Portfolio Manager. Based in London

Alex joined Schroders from American Century Investments in New York, where he was Senior Vice President and Senior Portfolio Manager (Global and Non-US Large Cap Strategies)

Prior to this, he was with Deutsche Asset Management Ltd, where he worked in various capacities including Managing Director and Head of International Equities/Portfolio Manager

Alex initially joined Schroders in 1990, working in the UK and Germany where he was responsible for promoting European Equity mandates alongside Schroders' Private Equity operation

MA in Economics and Business Administration, University of Freiburg/Fribourg, Switzerland

¹ Source: Thomson Reuters Datastream.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

Specific risks

The fund invests in assets which are exposed to currencies other than sterling. Exchange rates may cause the value of overseas investments and the revenue from them to rise or fall.

The fund invest in less developed markets which are generally less well regulated than the UK. They may be less liquid and may have less reliable custody arrangement.

The fund invests in emerging markets and the Far East. This involves a high degree of risk and should be seen as long term in nature.

The fund may invest in a wide range of derivatives in order to meet its investment objectives.

For these reasons, the purchase of units should not normally be regarded as a short term investment.

Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook (COLL) requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the fund and of its net revenue and the net capital gains on the property of the fund for the year. In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA (now the Investment Association (IA))) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements;
- make judgements and estimates that are prudent and reasonable.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, the Prospectus and the COLL, and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the year ended 15 December 2018 were signed on 14 February 2019 on behalf of the Manager by:

J.A. Walker-Hazell
Directors

P. Chislett

Report of the Trustee

Statement of the Trustee's responsibilities in respect of the Scheme and report of the Trustee to the unitholders of the Schroder Global Equity Fund ('the fund') for the year ended 15 December 2018.

The Trustee of the Schroder Global Equity Fund must ensure that the fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the fund in accordance with the regulations.

The Trustee must ensure that:

- the fund's cash flows are properly monitored and that cash of the fund is booked in cash accounts in accordance with the regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the regulations;
- the value of units of the fund are calculated in accordance with the regulations;
- any consideration relating to transactions in the fund's assets is remitted to the fund within the usual time limits;
- the fund's income is applied in accordance with the regulations; and
- the instructions of the Authorised Fund Manager ('the Manager'), which is the UCITS Management Company, are carried out (unless they conflict with the regulations).

The Trustee also has a duty to take reasonable care to ensure that the fund is managed in accordance with the regulations and the Scheme documents of the fund in relation to the investment and borrowing powers applicable to the fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the fund, acting through the Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the fund's units and the application of the fund's income in accordance with the regulations and the Scheme documents of the fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the fund in accordance with the regulations and the Scheme documents of the fund.

J.P. Morgan Europe Limited
Trustee
Bournemouth
7 January 2019

Independent Auditors' Report to the Unitholders of Schroder Global Equity Fund

Report on the audit of the financial statements

Opinion

In our opinion, Schroder Global Equity Fund's financial statements:

- give a true and fair view of the financial position of the fund as at 15 December 2018 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Final Report and Accounts (the 'Annual Report'), which comprise: the balance sheet as at 15 December 2018; the statement of total return and the statement of change in net assets attributable to unitholders for the year then ended; the notes to the financial statements, which include a description of the significant accounting policies, and the distribution tables.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council's (FRC) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the Manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the fund's ability to continue as a going concern.

Independent Auditors' Report to the Unitholders of Schroder Global Equity Fund (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our Auditors' Report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Statement of the Manager's Responsibilities set out on page 7, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Independent Auditors' Report to the Unitholders of Schroder Global Equity Fund (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh
14 February 2019

Comparative Tables

I Income units

Financial year to 15 December	2018 p per unit	2017 p per unit	2016 p per unit
Change in net asset value			
Opening net asset value	732.38	639.60	512.60
Return before operating charges	20.06	104.80	137.60
Operating charges	(3.98)	(3.65)	(3.01)
Return after operating charges*	16.08	101.15	134.59
Distributions ¹	(9.86)	(8.37)	(7.59)
Closing net asset value	738.60	732.38	639.60
*after direct transaction costs of	(0.46)	(0.42)	(0.56)
Performance			
Return after charges (%)	2.20	15.81	26.26
Other information			
Closing net asset value (£000's)	253,879	170,879	182,279
Closing number of units	34,372,754	23,332,075	28,498,602
Operating charges (%)	0.52	0.53	0.53
Direct transaction costs (%)**	0.06	0.06	0.10
Prices			
Highest dealing price (p)	812.50	742.50	651.20
Lowest dealing price (p)	691.20	638.30	469.70

Comparative Tables (continued)

I Accumulation units

Financial year to 15 December	2018 p per unit	2017 p per unit	2016 p per unit
Change in net asset value			
Opening net asset value	991.81	856.37	678.26
Return before operating charges	27.09	140.32	182.13
Operating charges	(5.39)	(4.88)	(4.02)
Return after operating charges*	21.70	135.44	178.11
Distributions ¹	(13.34)	(11.22)	(10.06)
Retained distributions ¹	13.34	11.22	10.06
Closing net asset value	1,013.51	991.81	856.37
*after direct transaction costs of	(0.61)	(0.56)	(0.76)
Performance			
Return after charges (%)	2.19	15.82	26.26
Other information			
Closing net asset value (£000's)	166,323	192,803	157,557
Closing number of units	16,410,530	19,439,574	18,398,186
Operating charges (%)	0.53	0.52	0.53
Direct transaction costs (%)**	0.06	0.06	0.10
Prices			
Highest dealing price (p)	1,100.00	994.20	861.60
Lowest dealing price (p)	936.00	854.70	621.50

Comparative Tables (continued)

Financial year to 15 December	L Income units		
	2018 p per unit	2017 p per unit	2016 p per unit
Change in net asset value			
Opening net asset value	74.81	64.88	50.00
Return before operating charges	2.08	10.63	15.25
Operating charges	(0.63)	(0.70)	(0.37)
Return after operating charges*	1.45	9.93	14.88
Distributions	Nil ²	Nil ³	Nil ³
Closing net asset value	76.26	74.81	64.88
*after direct transaction costs of	(0.05)	(0.04)	(0.06)
Performance			
Return after charges (%)	1.94	15.31	29.76
Other information			
Closing net asset value (£000's)	6	2	1
Closing number of units	7,070	2,229	2,000
Operating charges (%)	0.81	1.00	0.71
Direct transaction costs (%)**	0.06	0.06	0.10
Prices			
Highest dealing price (p)	82.86	75.01	65.31
Lowest dealing price (p)	70.58	64.75	50.00

The unit class was launched on 19 February 2016.

- 2 There will not be a distribution as the total amount distributable was below de minimis.
- 3 There was no distribution as the total amount distributable was below de minimis.

Comparative Tables (continued)

Financial year to 15 December	L Accumulation units		
	2018 p per unit	2017 p per unit	2016 p per unit
Change in net asset value			
Opening net asset value	74.86	64.88	50.00
Return before operating charges	2.06	10.59	15.25
Operating charges	(0.65)	(0.61)	(0.37)
Return after operating charges*	1.41	9.98	14.88
Distributions	Nil ²	Nil ³	Nil ³
Retained distributions	Nil ²	Nil ³	Nil ³
Closing net asset value	76.27	74.86	64.88
*after direct transaction costs of	(0.05)	(0.04)	(0.06)
Performance			
Return after charges (%)	1.88	15.38	29.76
Other information			
Closing net asset value (£000's)	6	5	1
Closing number of units	7,452	6,888	2,000
Operating charges (%)	0.84	0.86	0.71
Direct transaction costs (%)**	0.06	0.06	0.10
Prices			
Highest dealing price (p)	82.87	75.06	65.31
Lowest dealing price (p)	70.59	64.75	50.00

The unit class was launched on 19 February 2016.

- 2 There will not be a distribution as the total amount distributable was below de minimis.
- 3 There was no distribution as the total amount distributable was below de minimis.

Comparative Tables (continued)

Z Income units			
Financial year to 15 December	2018 p per unit	2017 p per unit	2016 p per unit
Change in net asset value			
Opening net asset value	74.57	64.78	50.00
Return before operating charges	2.06	10.50	15.21
Operating charges	(0.70)	(0.71)	(0.43)
Return after operating charges*	1.36	9.79	14.78
Distributions ¹	(1.66)	Nil ²	Nil ²
Closing net asset value	74.27	74.57	64.78
*after direct transaction costs of	(0.05)	(0.04)	(0.06)
Performance			
Return after charges (%)	1.82	15.11	29.56
Other information			
Closing net asset value (£000's)	26	3	1
Closing number of units	35,996	3,493	2,000
Operating charges (%)	0.89	1.01	0.76
Direct transaction costs (%)**	0.06	0.06	0.10
Prices			
Highest dealing price (p)	82.52	74.79	65.24
Lowest dealing price (p)	70.33	64.65	50.00

The unit class was launched on 19 February 2016.

2 There was no distribution as the total amount distributable was below de minimis.

Comparative Tables (continued)

Z Accumulation units			
Financial year to 15 December	2018 p per unit	2017 p per unit	2016 p per unit
Change in net asset value			
Opening net asset value	74.71	64.82	50.00
Return before operating charges	2.05	10.58	15.25
Operating charges	(0.71)	(0.69)	(0.43)
Return after operating charges*	1.34	9.89	14.82
Distributions ¹	(0.76)	(1.04)	Nil ²
Retained distributions ¹	0.76	1.04	Nil ²
Closing net asset value	76.05	74.71	64.82
*after direct transaction costs of	(0.05)	(0.04)	(0.06)
Performance			
Return after charges (%)	1.79	15.26	29.64
Other information			
Closing net asset value (£000's)	241	31	1
Closing number of units	316,899	41,081	2,000
Operating charges (%)	0.91	0.96	0.76
Direct transaction costs (%)**	0.06	0.06	0.10
Prices			
Highest dealing price (p)	82.66	74.91	65.27
Lowest dealing price (p)	70.43	64.69	50.00

The unit class was launched on 19 February 2016.

1 These figures have been rounded to 2 decimal places.

2 There was no distribution as the total amount distributable was below de minimis.

** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are calculated on an ex-post basis and as such may differ from the Ongoing charges figure where the Ongoing charges figure has been annualised for a unit class that has not been in existence for a full year.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

Portfolio Statement

	Holding at 15.12.18	Market Value £000's	% of net assets
Equities 100.17% (99.80%)			
Australia 1.47% (1.33%)			
BHP Billiton	187,473	3,469	0.83
CSL	26,315	2,708	0.64
		6,177	1.47
Belgium 0.64% (1.45%)			
KBC Group	32,289	1,755	0.42
Umicore	28,627	916	0.22
		2,671	0.64
Bermuda 0.34% (0.55%)			
Jardine Strategic Holdings	49,029	1,428	0.34
		1,428	0.34
Brazil 1.13% (0.55%)			
B3 SA – Brasil Bolsa Balcao	484,538	2,723	0.65
Telefonica Brasil Preference	204,552	2,029	0.48
		4,752	1.13
Canada 1.64% (2.43%)			
Nutrien	136,938	5,164	1.23
Toronto-Dominion Bank	41,466	1,712	0.41
		6,876	1.64
Cayman Islands 1.98% (1.90%)			
Alibaba Group Holding ADR	17,833	2,116	0.50
China Mengniu Dairy	466,000	1,164	0.28
Tencent Holdings	160,400	5,046	1.20
		8,326	1.98

Portfolio Statement (continued)

	Holding at 15.12.18	Market Value £000's	% of net assets
China 0.67% (0.00%)			
China Merchants Bank H	558,000	1,818	0.43
China Pacific Insurance Group H	373,200	1,004	0.24
		2,822	0.67
Curacao 0.30% (0.45%)			
Schlumberger	40,372	1,254	0.30
		1,254	0.30
Denmark 0.57% (0.57%)			
Vestas Wind Systems	37,710	2,387	0.57
		2,387	0.57
Finland 0.00% (0.57%)			
France 4.79% (4.20%)			
Legrand	33,053	1,476	0.35
LVMH Moet Hennessy Louis Vuitton	12,018	2,724	0.65
Schneider Electric	68,892	3,779	0.90
TOTAL	276,045	12,179	2.89
		20,158	4.79
Germany 2.94% (5.34%)			
adidas	18,958	3,319	0.79
BASF	24,167	1,307	0.31
Bayerische Motoren Werke	36,060	2,402	0.57
Continental	22,315	2,456	0.58
Deutsche Wohnen	77,063	2,894	0.69
		12,378	2.94
Hong Kong 0.87% (0.67%)			
AIA Group	559,400	3,644	0.87
		3,644	0.87

Portfolio Statement (continued)

	Holding at 15.12.18	Market Value £000's	% of net assets
India 1.19% (0.79%)			
HDFC Bank ADR	53,653	4,293	1.02
Zee Entertainment Enterprises	131,901	710	0.17
		5,003	1.19
Ireland 3.10% (1.25%)			
Accenture A	36,713	4,558	1.09
Kingspan Group	68,603	2,281	0.54
Linde	28,183	3,530	0.84
Medtronic	35,643	2,664	0.63
		13,033	3.10
Israel 0.00% (0.31%)			
Italy 0.00% (0.85%)			
Japan 4.52% (7.37%)			
FANUC	15,100	1,791	0.42
Keyence	4,500	1,813	0.43
Murata Manufacturing	7,100	800	0.19
Nabtesco	76,100	1,379	0.33
Nintendo	5,800	1,301	0.31
ORIX	110,700	1,345	0.32
Recruit Holdings	102,600	2,172	0.52
Shiseido	43,200	2,172	0.52
SMC	5,800	1,416	0.34
Terumo	53,500	2,366	0.56
Toyota Motor	51,000	2,442	0.58
		18,997	4.52
Luxembourg 0.45% (0.00%)			
Spotify Technology	18,784	1,898	0.45
		1,898	0.45

Portfolio Statement (continued)

	Holding at 15.12.18	Market Value £000's	% of net assets
Netherlands 0.81% (2.24%)			
ASML Holding	26,365	3,416	0.81
		3,416	0.81
Norway 0.44% (0.41%)			
DNB	136,391	1,832	0.44
		1,832	0.44
Panama 0.29% (0.55%)			
Carnival	27,148	1,216	0.29
		1,216	0.29
South Korea 1.18% (0.79%)			
Samsung Electronics	132,294	3,623	0.86
Samsung SDI	9,391	1,359	0.32
		4,982	1.18
Sweden 0.68% (0.74%)			
Skandinaviska Enskilda Banken A	369,611	2,857	0.68
		2,857	0.68
Switzerland 5.51% (3.23%)			
Chubb	25,997	2,653	0.63
Lonza Group	15,310	3,688	0.88
Nestle	128,729	8,623	2.05
Novartis	92,340	6,420	1.53
UBS Group	176,563	1,764	0.42
		23,148	5.51
Taiwan 0.83% (1.28%)			
Taiwan Semiconductor Manufacturing	611,000	3,499	0.83
		3,499	0.83

Portfolio Statement (continued)

	Holding at 15.12.18	Market Value £000's	% of net assets
Thailand 0.22% (0.65%)			
Kasikornbank	208,400	936	0.22
		936	0.22
Turkey 0.30% (0.00%)			
Turkiye Garanti Bankasi	1,115,355	1,282	0.30
		1,282	0.30
United Kingdom 5.03% (5.37%)			
Bunzl	104,808	2,538	0.60
Cushman & Wakefield	60,695	810	0.19
Diageo	136,420	3,854	0.92
GlaxoSmithKline	185,063	2,739	0.65
HSBC Holdings	512,057	3,346	0.80
Lloyds Banking Group	6,093,966	3,211	0.76
Ocado Group	135,066	1,101	0.26
Reckitt Benckiser Group	56,772	3,556	0.85
		21,155	5.03
United States of America 58.28% (53.96%)			
Activision Blizzard	45,013	1,717	0.41
Adobe	19,902	3,681	0.88
Alcoa	67,952	1,569	0.37
Alphabet A	13,887	11,692	2.78
Amazon.com	7,006	9,040	2.15
Amgen	11,443	1,757	0.42
Apple	58,177	7,725	1.84
Bank of America	338,418	6,634	1.58
BlackRock	5,438	1,661	0.39
Booking Holdings	2,343	3,374	0.80
Broadcom	19,411	3,987	0.95
Burlington Stores	16,189	2,045	0.49
Caterpillar	27,124	2,718	0.65

Portfolio Statement (continued)

	Holding at 15.12.18	Market Value £000's	% of net assets
United States of America (continued)			
Charles Schwab	83,336	2,745	0.65
Charter Communications A	13,616	3,377	0.80
Cognex	56,767	1,782	0.42
Colgate-Palmolive	45,939	2,390	0.57
Comcast A	303,940	8,835	2.10
Costco Wholesale	24,545	4,074	0.97
Danaher	28,007	2,240	0.53
Deere	32,577	3,854	0.92
Discover Financial Services	52,427	2,611	0.62
DowDuPont	68,470	2,894	0.69
Eli Lilly	54,915	4,905	1.17
Estee Lauder A	23,620	2,578	0.61
Facebook A	15,758	1,824	0.43
First Republic Bank	17,455	1,239	0.29
First Solar	22,822	802	0.19
Fortive	47,989	2,633	0.63
General Mills	42,988	1,280	0.30
Goodyear Tire & Rubber	56,553	947	0.23
HCA Healthcare	27,676	2,824	0.67
Hewlett Packard Enterprise	171,214	1,954	0.46
Hexcel	29,481	1,371	0.33
Home Depot	36,931	5,101	1.21
Honeywell International	35,167	3,836	0.91
Intel	82,050	3,146	0.75
International Paper	42,733	1,481	0.35
Intuit	21,484	3,476	0.83
Johnson & Johnson	36,249	3,923	0.93
JPMorgan Chase	106,980	8,569	2.04
Las Vegas Sands	54,792	2,403	0.57
Merck	73,207	4,482	1.07
Microsoft	127,211	10,886	2.59
Nasdaq	45,963	3,165	0.75

Portfolio Statement (continued)

	Holding at 15.12.18	Market Value £000's	% of net assets
United States of America (continued)			
NextEra Energy	25,647	3,688	0.88
Noble Energy	54,893	962	0.23
Occidental Petroleum	82,011	4,249	1.01
Palo Alto Networks	2,566	375	0.09
PayPal Holdings	26,738	1,841	0.44
Pfizer	88,827	3,099	0.74
Philip Morris International	56,632	3,745	0.89
PNC Financial Services Group	11,006	1,048	0.25
Range Resources	141,427	1,347	0.32
Raytheon	20,379	2,777	0.66
Rockwell Automation	16,676	2,096	0.50
SBA Communications REIT	22,554	3,091	0.73
Texas Instruments	48,374	3,656	0.87
Thermo Fisher Scientific	24,712	4,603	1.09
T-Mobile US	57,468	3,015	0.72
Twenty-First Century Fox A	75,893	2,971	0.71
Union Pacific	37,396	4,290	1.02
United Technologies	31,599	2,997	0.71
UnitedHealth Group	33,688	7,116	1.69
Verisk Analytics	30,364	2,744	0.65
VF	23,050	1,387	0.33
Visa A	69,740	7,508	1.79
Walgreens Boots Alliance	59,624	3,755	0.89
Walt Disney	39,336	3,528	0.84
Xylem	42,661	2,216	0.53
Zimmer Biomet Holdings	19,889	1,741	0.41
		245,072	58.28
Equities total		421,199	100.17

Portfolio Statement (continued)

	Market Value £000's	% of net assets
Portfolio of investments	421,199	100.17
Net other liabilities	(718)	(0.17)
Net assets attributable to unitholders	420,481	100.00

The comparative percentage figures in brackets are as at 15 December 2017.

Unless otherwise stated, all securities are admitted to official stock exchange listings.

Summary of Portfolio Transactions

Largest purchases

For the year ended 15 December 2018	Cost £000's
TOTAL	13,835
Bank of America	10,697
Apple	6,406
Novartis	6,055
Nestle	5,631
Accenture A	5,055
Deere	4,289
Comcast A	4,253
Charles Schwab	4,214
Alphabet A	4,196

Largest sales

For the year ended 15 December 2018	Proceeds £000's
Citigroup	8,387
Apple	7,083
Royal Dutch Shell A	6,899
Amazon.com	6,180
Facebook A	5,608
salesforce.com	4,673
Texas Instruments	4,204
Cimarex Energy	4,021
SAP	3,996
Umicore	3,613

Statement of Total Return

For the year ended 15 December 2018

		2018		2017	
	Notes	£000's	£000's	£000's	£000's
Income					
Net capital gains	2		2,163		48,136
Revenue	3	8,299		7,258	
Expenses	4	(2,179)		(1,887)	
Net revenue before taxation		6,120		5,371	
Taxation	5	(734)		(818)	
Net revenue after taxation			5,386		4,553
Total return before distributions			7,549		52,689
Distributions	6		(5,246)		(4,356)
Change in net assets attributable to unitholders from investment activities			2,303		48,333

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 December 2018

		2018		2017	
		£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders			363,723		339,840
Amounts receivable on issue of units	126,845			46,516	
Amounts payable on cancellation of units	(74,743)			(73,218)	
			52,102		(26,702)
Dilution adjustment			162		71
Change in net assets attributable to unitholders from investment activities			2,303		48,333
Retained distribution on Accumulation units			2,191		2,181
Closing net assets attributable to unitholders			420,481		363,723

Balance Sheet

As at 15 December 2018

		2018	2017
	Notes	£000's	£000's
Assets			
Investments		421,199	363,010
Current assets			
Debtors	8	2,164	1,090
Cash and bank balances		1,508	4,263
Total assets		424,871	368,363
Liabilities			
Creditors			
Bank overdrafts		0	(61)
Distributions payable		(3,391)	(1,952)
Other creditors	9	(999)	(2,627)
Total liabilities		(4,390)	(4,640)
Net assets attributable to unitholders			
		420,481	363,723

Notes to the Accounts

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the SORP for UK Authorised Funds issued by the IMA in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)).

Revenue

Dividends receivable from equity investments and real estate income distributions are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex-dividend. Dividends from US Real Estate Investment Trusts are initially accounted for at an estimated 70% revenue and 30% capital split when the security goes ex-dividend. Following the end of the calendar year, US REIT companies publish the split between revenue and capital of the dividends they have previously declared. When this information is received the initial estimated allocation is adjusted to reflect the published split between revenue and capital. The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the fund. Interest receivable from bank balances is accounted for on an accruals basis.

Special dividends

Special dividends are treated as revenue or capital depending on the facts of each particular case.

Expenses

Expenses of the fund are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the fund. All expenses are accounted for on an accruals basis.

Taxation

Corporation tax is provided for on the revenue liable to corporation tax less deductible expenses.

Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Distributions

The revenue available for distribution is the total revenue earned by the fund, less deductible expenses and taxation charged to revenue. This revenue is distributed annually on 15 February to Income unitholders. For Accumulation units this revenue is not distributed but automatically reinvested in the fund and is reflected in the value of these units. The ordinary element of scrip dividends is treated as revenue but does not form part of the distribution. The distribution is in accordance with the COLL.

Dilution adjustment

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. If applied, the dilution adjustment is paid to the fund. See Prospectus for further details. Dilution adjustments include an estimate of dealing costs and the spread on underlying investments.

Valuation

Listed investments of the fund have been valued at market value at 18:00 on the balance sheet date. Market value is defined by the SORP as fair value which generally is the bid value of each security.

Notes to the Accounts (continued)

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at the exchange rates prevailing at the balance sheet date and the net (losses)/gains are reflected under Net capital gains in the Notes to the Accounts.

2 Net capital gains

The net capital gains during the year comprise:

	2018 £000's	2017 £000's
Non-derivative securities	2,506	47,925
Foreign currency (losses)/gains	(326)	223
Transaction costs	(17)	(12)
Net capital gains	2,163	48,136

3 Revenue

	2018 £000's	2017 £000's
UK dividends	933	749
Overseas dividends	7,144	6,243
Real estate income distributions	23	55
Scrip dividends	160	200
Bank interest	39	11
Total revenue	8,299	7,258

Notes to the Accounts (continued)

4 Expenses

	2018 £000's	2017 £000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual management charge	2,060	1,800
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	44	39
Safe custody fees	18	18
Dividend expenses	1	1
Interest payable	20	5
	83	63
Other expenses:		
Audit fee	12	12
Professional fee	24	12 ¹
	36	24
Total expenses	2,179	1,887

1 Professional fee includes Nil (2017 – £3,087) which were paid to PricewaterhouseCoopers LLP in relation to tax reclaims.

5 Taxation

(a) Analysis of the tax charge for the year

	2018 £000's	2017 £000's
Overseas withholding tax	734	818
Total current tax (Note 5(b))	734	818

Corporation tax has not been provided for as expenses exceed the revenue liable to corporation tax.

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for authorised unit trusts of 20% (2017 – 20%) is applied to the net revenue before taxation. The differences are explained below.

Notes to the Accounts (continued)

	2018 £000's	2017 £000's
Net revenue before taxation	6,120	5,371
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	1,224	1,074
Effects of:		
Revenue not subject to corporation tax	(1,632)	(1,432)
Expenses not deductible for tax purposes	0	1
Movement in excess management expenses	409	358
Irrecoverable overseas withholding tax	734	818
Expensed withholding tax incurred	(3)	(2)
Movement in revenue taxable in different periods	2	1
Current tax charge for the year (Note 5(a))	734	818

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £2,528,288 (2017 – £2,119,499) in respect of unutilised management expenses. It is unlikely the fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

Distributions

The distribution takes account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprises:

	2018 £000's	2017 £000's
Final Dividend distribution	5,582	4,133
Add: Revenue deducted on cancellation of units	665	532
Deduct: Revenue received on issue of units	(1,001)	(309)
Distributions	5,246	4,356
Net revenue after taxation	5,386	4,553
Scrip dividends not distributed	(160)	(200)
Expenses taken to capital	20	3
Distributions	5,246	4,356

Details of the distribution per unit are set out in the Distribution Table on page 44.

Notes to the Accounts (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2018 Assets £000's	2017 Assets £000's
Level 1: Quoted prices	421,199	363,010
Level 2: Observable market data	0	0
Level 3: Unobservable data	0	0
Total	421,199	363,010

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Manager has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Manager of the fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Manager with particular attention paid to the carrying value of the investments.

8 Debtors

	2018 £000's	2017 £000's
Amounts receivable for issue of units	288	24
Sales awaiting settlement	1,165	540
Accrued UK dividends	52	67
Accrued overseas dividends	324	280
Accrued bank interest	1	0
Overseas withholding tax recoverable	334	179
Total debtors	2,164	1,090

Notes to the Accounts (continued)

9 Other creditors

	2018		2017	
	£000's	£000's	£000's	£000's
Amounts payable for cancellation of units		312		282
Purchases awaiting settlement		387		2,248
Accrued expenses				
Manager and Agents				
Annual management charge		261		74
Trustee and Agents				
Trustee's fees	10		5	
Safe custody fees	8		4	
Transaction costs	9		2	
		27		11
Other accrued expenses		12		12
Total other creditors		999		2,627

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2017 – Nil).

11 Related party transactions

The Manager exercises control over the fund and is therefore a related party by virtue of its controlling influence.

Amounts paid during the year or due to the Manager at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Manager acts as principal on all transactions of units in the fund. The aggregate monies received through the issue and cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the Notes to the Accounts. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are disclosed under Debtors and Other creditors in the Notes to the Accounts.

Units held or managed by the Manager or associates of the Manager as a percentage of the fund's net asset value at the balance sheet date were 62.19% (2017 – 74.60%).

Notes to the Accounts (continued)

12 Unit classes

The fund currently has six unit classes: I Income units, I Accumulation units, L Income units, L Accumulation units, Z Income units and Z Accumulation units. The Annual management charge is based on the average value of the fund, calculated on a daily basis, and covers the remuneration of the Manager, the Investment Adviser and their overhead expenses and for each unit class is as follows:

I Income units	0.50%
I Accumulation units	0.50%
L Income units	0.675%
L Accumulation units	0.675%
Z Income units	0.75%
Z Accumulation units	0.75%

The closing net asset value of each unit class, the closing net asset value per unit and the closing number of units in issue are given in the Comparative Tables on pages 12 to 17. The distribution per unit class is given in the Distribution Table on page 44. All classes have the same rights on winding up.

13 Derivative and other financial instruments

In accordance with the investment objective, the fund may hold certain financial instruments. These comprise:

- securities held in accordance with the investment objective and policy;
- cash and short term debtors and creditors arising directly from operations.

Under normal circumstances, the Manager would expect substantially all of the assets of the fund to be invested in securities appropriate to the fund's investment objective. Cash and near cash may only be held in order to assist in the redemption of units, the efficient management of the fund or purposes regarded as ancillary to the fund.

The fund has little exposure to credit risk. The main risks arising from the fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The fund's investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the COLL mitigates the risk of excessive exposure to any particular type of security or issuer.

Foreign currency risk

The fund invests in overseas securities and collective investment schemes valued in foreign currencies and the balance sheet can be significantly affected by movements in foreign exchange rates. The fund has not hedged the sterling value of investments that are priced in other currencies.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Notes to the Accounts (continued)

Currency risk profile

The currency risk profile of the fund's net assets and liabilities at the balance sheet date was as follows:

Currency	Monetary exposure £000's	Non-monetary exposure £000's	Total £000's
Australian dollar			
2018	0	6,177	6,177
2017	0	4,832	4,832
Brazilian real			
2018	72	4,752	4,824
2017	16	1,999	2,015
Canadian dollar			
2018	0	6,876	6,876
2017	0	8,842	8,842
Danish krone			
2018	17	2,387	2,404
2017	13	2,078	2,091
Euro			
2018	188	44,434	44,622
2017	65	55,279	55,344
Hong Kong dollar			
2018	0	16,022	16,022
2017	0	9,713	9,713
Indian rupee			
2018	0	710	710
2017	0	0	0
Japanese yen			
2018	0	18,997	18,997
2017	0	26,812	26,812
Norwegian krone			
2018	112	1,832	1,944
2017	57	1,478	1,535
Singapore dollar			
2018	1	0	1
2017	1	0	1

Notes to the Accounts (continued)

Currency	Monetary exposure £000's	Non-monetary exposure £000's	Total £000's
South Korean won			
2018	0	4,982	4,982
2017	0	2,865	2,865
Sterling			
2018	(2,969)	16,999	14,030
2017	(1,568)	15,801	14,233
Swedish krona			
2018	0	2,857	2,857
2017	0	2,703	2,703
Swiss franc			
2018	1	20,495	20,496
2017	0	9,048	9,048
Taiwan dollar			
2018	0	3,499	3,499
2017	0	4,673	4,673
Thai baht			
2018	0	936	936
2017	0	2,379	2,379
Turkish lira			
2018	0	1,282	1,282
2017	0	0	0
US dollar			
2018	1,860	267,962	269,822
2017	2,129	214,508	216,637

Liquidity risk

The primary source of this risk to the fund is the liability to unitholders for any cancellation of units. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the COLL.

Interest rate risk

Interest receivable on bank balances will be affected by fluctuations in interest rates.

Notes to the Accounts (continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and liabilities at the balance sheet date was as follows:

Currency	Floating rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar			
2018	0	6,177	6,177
2017	0	4,832	4,832
Brazilian real			
2018	0	4,824	4,824
2017	0	2,076	2,076
Canadian dollar			
2018	0	6,876	6,876
2017	0	8,842	8,842
Danish krone			
2018	0	2,404	2,404
2017	0	2,091	2,091
Euro			
2018	0	44,957	44,957
2017	1	55,458	55,459
Hong Kong dollar			
2018	0	16,022	16,022
2017	0	9,713	9,713
Indian rupee			
2018	0	710	710
2017	0	0	0
Japanese yen			
2018	0	18,997	18,997
2017	0	26,812	26,812
Norwegian krone			
2018	0	1,944	1,944
2017	0	1,535	1,535
Singapore dollar			
2018	1	0	1
2017	1	0	1

Notes to the Accounts (continued)

Currency	Floating rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
South Korean won			
2018	0	4,982	4,982
2017	0	2,865	2,865
Sterling			
2018	694	17,339	18,033
2017	2,265	16,432	18,697
Swedish krona			
2018	0	2,857	2,857
2017	0	2,703	2,703
Swiss franc			
2018	0	20,496	20,496
2017	0	9,048	9,048
Taiwan dollar			
2018	0	3,499	3,499
2017	0	4,673	4,673
Thai baht			
2018	0	936	936
2017	0	2,379	2,379
Turkish lira			
2018	0	1,282	1,282
2017	0	0	0
US dollar			
2018	1,148	269,061	270,209
2017	1,996	214,641	216,637

Notes to the Accounts (continued)

Currency	Floating rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Brazilian real			
2018	0	0	0
2017	61	0	61
Euro			
2018	335	0	335
2017	0	115	115
Sterling			
2018	0	4,003	4,003
2017	0	4,464	4,464
US dollar			
2018	0	387	387
2017	0	0	0

There are no material amounts of non-interest bearing financial assets, other than equities which do not have a maturity date.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average rate. Foreign currency bank balances bear interest at rates based on the London Interbank Offer Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Global risk exposure

Commitment approach

When using derivatives, the Manager uses a risk management process that enables it to monitor the risk of a fund's derivative positions. The global risk exposure of a fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a fund. This is typically used on funds where derivative usage is low or funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

Notes to the Accounts (continued)

The global risk exposure of the fund is calculated using the commitment approach. During the year ended 15 December 2018 the global risk exposure of the fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the fund as at the balance sheet date was as follows:

Leverage

	Lowest	Highest	Average	Leverage at 15 December
2018	0.00%	5.69%	0.38%	0.08%
2017	0.00%	6.65%	0.22%	0.03%

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2018	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	316,023	83	188	316,294	0.03	0.06
Sales						
Equities	260,678	(62)	(21)	260,595	(0.02)	(0.01)
Total cost of the fund's average net asset value (%)		0.04	0.05			

2017	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	190,326	67	116	190,509	0.04	0.06
Sales						
Equities	213,341	(79)	(13)	213,249	(0.04)	(0.01)
Funds	1,783	0	0	1,783	0.00	0.00
	215,124	(79)	(13)	215,032		
Total cost of the fund's average net asset value (%)		0.04	0.04			

Notes to the Accounts (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.06% (2017 – 0.05%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

15 Units in issue reconciliation

	Number of units in issue as at 15.12.17	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue as at 15.12.18
I Income units	23,332,075	15,961,633	(8,214,134)	3,293,180	34,372,754
I Accumulation units	19,439,574	471,109	(1,069,030)	(2,431,123)	16,410,530
L Income units	2,229	9,190	(4,349)	0	7,070
L Accumulation units	6,888	1,575	(1,011)	0	7,452
Z Income units	3,493	32,503	0	0	35,996
Z Accumulation units	41,081	335,775	(59,957)	0	316,899

UCITS remuneration disclosures for Schroder Unit Trusts Limited ('SUTL') for the year to 31 December 2017

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 62 to 90 of the 2017 Annual Report & Accounts (available on the Group's website – www.schroders.com/ir), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

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

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the UCITS Directive are met for all UCITS MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. During 2017 the Remuneration Policy was reviewed and changes were made to ensure compliance with the UCITS/AIFMD remuneration requirements.

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

The total spend on remuneration is determined based on a profit share ratio, measuring variable remuneration charge against pre-bonus profit, and from a total compensation ratio, measuring total remuneration expense against net income. This ensures that the interests of employees are aligned with Schroders financial performance. In determining the remuneration spend each year, the underlying strength and sustainability of the business is taken into account, along with reports on risk, legal and compliance matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2017.

- The total amount of remuneration paid by SUTL to its staff was nil as SUTL has no employees. SUTL has an independent Non Executive Director who receives fees in respect of his role on the Board of SUTL¹. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to UCITS MRTs of SUTL. Most of those UCITS MRTs were employed by and provided services to other Schroders group companies and clients. As a result, only a portion of remuneration for those individuals is included in the aggregate remuneration figures that follow, based on an objective apportionment to reflect the balance of each role using relevant regulated AUM as a proportion of the total AUM within the scope of each role. The aggregate total remuneration paid to the 135 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2017, and attributed to SUTL or the UCITS funds that it manages, is £11.8 million, of which £1.8 million was paid to senior management, £8.9 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and £1.1 million was paid to other UCITS MRTs.

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

1 The fee is not disclosed due to confidentiality and data protection considerations. The amount is not material to SUTL.

Distribution Table

Final distribution for the year ended 15 December 2018

Group 1 Units purchased prior to 16 December 2017

Group 2 Units purchased on or after 16 December 2017

	Net revenue 2018 p per unit	Equalisation 2018 p per unit	Distribution payable 15.2.19 p per unit	Distribution paid 15.2.18 p per unit
I Income units				
Group 1	9.8630	–	9.8630	8.3679
Group 2	3.9086	5.9544	9.8630	8.3679
I Accumulation units				
Group 1	13.3384	–	13.3384	11.2183
Group 2	6.2932	7.0452	13.3384	11.2183
Z Income units				
Group 1	1.6610	–	1.6610	0.0000 ¹
Group 2	0.1585	1.5025	1.6610	0.0000 ¹
Z Accumulation units				
Group 1	0.7620	–	0.7620	1.0356
Group 2	0.3965	0.3655	0.7620	1.0356

The L Income units and L Accumulation units have made no distributions to date.

1 There was no distribution for Z Income units as the total amount distributable was below de minimis.

Corporate unitholders (unaudited)

Corporate unitholders receive the dividend distribution payments as detailed below:

100.00% of the total distribution is received as franked investment income.

Equalisation

Equalisation applies to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of Group 2 units and is refunded to the holders of these units as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

General Information

Manager¹

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Investment Adviser¹

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Trustee

J.P. Morgan Europe Limited
Chaseside
Bournemouth BH7 7DA
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

Registrar¹

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

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Independent Auditors

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144 Morrison Street
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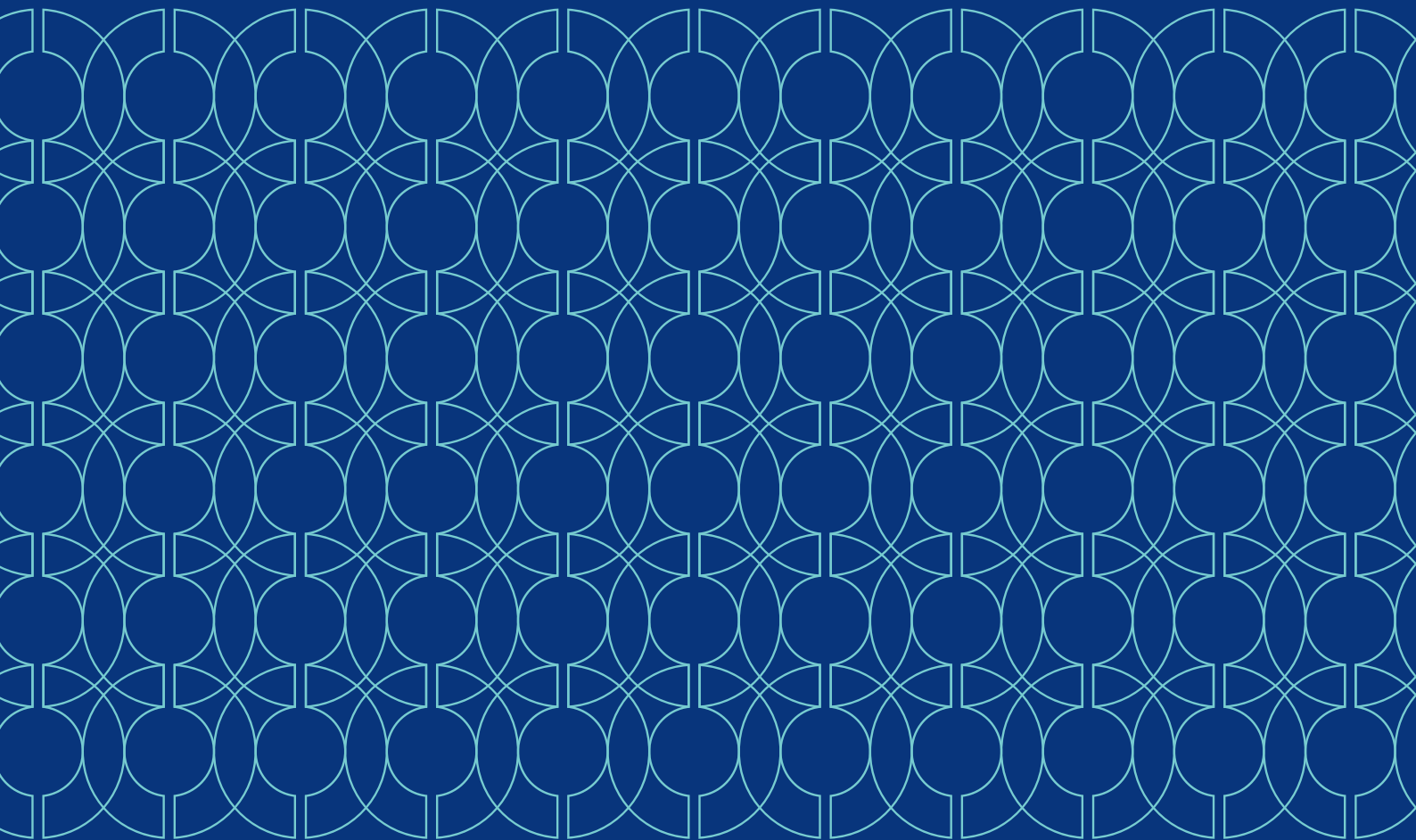
- 1 With effect from 4 September 2018, Schroder Unit Trusts Limited and Schroder Investment Management Limited changed address, previously it was 31 Gresham Street, London EC2V 7QA.

Authorisation

The fund is an authorised unit trust and is constituted pursuant to the COLL and is structured as a trust. The fund is a UCITS scheme for the purpose of the categorisation of the COLL.

Other information

The Prospectus, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website www.schroders.co.uk.



EST. 1804

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For further literature please contact Schroder Investor Services on 0800 718 777 or at investorservices@schroders.com, or visit our website at www.schroders.co.uk.

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