

Schroder Absolute Return Bond Fund

December 2019

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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

The Schroder Absolute Return Bond Fund (the 'fund') aims to provide an absolute return of 3 month LIBOR (or an equivalent reference rate) plus 1% (after fees have been deducted) over rolling 12-month periods by investing directly or indirectly in fixed and floating rate securities issued by governments, government agencies and companies worldwide. Absolute returns means the Fund seeks a positive return over rolling 12-month periods in all market conditions, but this cannot be guaranteed and your capital is at risk.

The Fund is actively managed and invests at least 80% of its assets directly, or indirectly through derivatives, in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-national and corporate issuers worldwide. As the Fund is index-unconstrained it is managed without reference to an index.

The Fund may invest up to 50% of its assets in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities.

The Fund may invest up to 100% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may also invest directly or indirectly in securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds) and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus). The Fund may use leverage and take short positions.

With effect from 7 August 2019 the fund's Investment objective and policy changed, previously it was:

The Fund aims to provide an absolute return of 3 month LIBOR plus 2% (gross of fees¹) over rolling 12-month periods by investing directly or indirectly in fixed and floating rate securities issued by governments, government agencies and companies worldwide.

Absolute return means the Fund seeks to provide a positive return over rolling 12-month periods, in all market conditions but this cannot be guaranteed and your capital is at risk.

The Fund invests at least 80% of its assets directly, or indirectly through derivatives, in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by governments, government agencies, supra-national and corporate issuers worldwide. As the Fund is index-unconstrained it is managed without reference to an index.

The Fund may invest up to 50% of its assets in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities.

The Fund may invest up to 100% of its assets in asset-backed securities and mortgage-backed securities.

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 achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage and take short positions.

¹ Gross of fees is before the deduction of the Fund's ongoing charges.

Fund characteristics

The Fund's performance should be assessed against its target benchmark of 3 month LIBOR (or an equivalent reference rate) plus 1%. The benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

Review of Investment Activities

From 31 December 2018 to 31 December 2019, the price of Z Accumulation units on a dealing price to dealing price basis rose 5.05%. The Fund aims to achieve a rolling twelve month positive return and is unconstrained by a benchmark. In the same period, the benchmark increased by 2.42%¹.

2019 was positive for financial markets. Risk assets rebounded forcefully after the weakness in the final months of 2018, with sentiment lifted by central bank dovishness. In the second half of the year monetary policy conditions were eased substantially; the US Federal Reserve (Fed) staged a dramatic U-turn, cutting interest rates three times, while the European Central Bank (ECB) cut rates further into negative territory and re-started its quantitative easing programme in response to economic weakness. Global government bond yields fell markedly over the period. Corporate bond markets also performed well.

The Fund generated a positive return over the year. The main positives were from currency positioning, particularly favouring high beta (market sensitive) European currencies and a short exposure to trade sensitive Asian currencies, such as the Korean won. Growing evidence of slower growth and that central banks would remain accommodating led us to move to a long duration stance, predominately in the US. We also implemented a long position in Europe, mainly through peripheral markets (e.g. Italy), which had a positive effect. We kept our long exposure to US investment grade corporate bonds, which contributed to performance.

As we move into 2020 there are signs that the global economy is starting to reap the benefit of easier monetary policy. As a result, we are optimistic that we could see a cyclical uplift in the early part of the year. Political risks are fading; the agreement of a "phase one" deal between the US and China, and the decisive Conservative victory in the UK, have removed some of the near-term uncertainties. This should help support a continued improvement in sentiment. That being said, persistent structural impediments to growth could cap this global upswing over a longer-time horizon and should see central banks remain supportive.

The worrying Covid-19 pandemic is understandably rattling markets, resulting in significant volatility. The true extent of the damage to the nation, economy and businesses will likely not be known for many months.

Co-Fund Manager:

Paul Grainger



2015: Schroders

2014: Co-founded financial technology firm yoyoDATA

2006: Wellington Management

2003: F&C Asset Management, Senior Portfolio Manager

1999: Gartmore, Senior Portfolio Manager

1995: Joined the BZW graduate training programme where he rotated through Fixed Income Sales & Trading into Asset Management at Barclays Global Investors

BA (Hons), University of Exeter

Member of the United Kingdom Society of investment professionals and a CFA Charterholder

Co-Fund Manager:

Bob Jolly



Joined Schroders Fixed Income team in September 2011 as Head of Global Macro Strategy

Prior to joining Schroders Bob worked for UBS Global Asset Management, his more recent responsibilities were Head of Currency, UK Fixed Income and Global Sovereign

Prior to UBS Bob spent two years with SEI investments developing customised solutions for institutional pension fund clients

The majority of Bob's investment career was spent at Gartmore Investment Management where he held the following positions:

2000 – 2005 Head of Fixed Income Portfolio Construction

1989 – 2000 Head of Structured Fixed Income

1982 – 1989 UK and Global Fixed Income Portfolio manager

CFA Charterholder

Global Multi-Sector Team

The fund is managed by the Global Multi-Sector Team according to a robust team based investment process. Bob Jolly, Head of Global Macro Strategy, and Paul Grainger, Head of Global Multi-Sector are the heads of the team with over 50 years combined investment experience. The rest of the team consists of 11 investment professionals with an average experience of 11 years responsible for a suite of benchmarked and absolute return products. The Global Multi-Sector Team draws on the full resources of Schroders fixed income platform, benefiting from a worldwide research network consisting of over 100 researchers, analysts and economists across asset classes.

¹ Source: Thomson Reuters Datastream. On 07.08.19 the benchmark changed from Sterling 3 month LIBOR plus 2% to Sterling 3 month LIBOR plus 1%. The full track record of the previous benchmark has been kept and chainlinked to the new one.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category is based upon the fund’s risk target and there is no guarantee that the fund will achieve it. 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. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook 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 for UK Authorised Funds issued by the Investment Management Association (now the Investment Association) 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 Collective Investment Schemes sourcebook, 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 31 December 2019 were signed on 21 April 2020 on behalf of the Manager by:

P. Chislett
Directors

S. Reedy

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 Absolute Return Bond Fund ('the fund') for the year ended 31 December 2019

The Trustee of the Schroder Absolute Return Bond 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

22 January 2020

Independent Auditors' Report

Report on the audit of the financial statements

Opinion

In our opinion, Schroder Absolute Return Bond Fund's financial statements:

- give a true and fair view of the financial position of the fund as at 31 December 2019 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 31 December 2019; the statement of total return and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

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 FRC's 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.

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 6, 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 intend to wind up or terminate the fund, or have no realistic alternative but to do so.

Independent Auditors' Report (continued)

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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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
21 April 2020

Comparative Table

Financial year to 31 December	A Income units			A Accumulation units		
	2019 p per unit	2018 p per unit	2017 p per unit	2019 p per unit	2018 p per unit	2017 p per unit
Change in net asset value						
Opening net asset value	40.11	41.83	41.88	98.26	100.72	99.70
Return before operating charges*	2.31	(0.57)	0.92	5.66	(1.39)	2.15
Operating charges	(0.44)	(0.44)	(0.49)	(1.08)	(1.07)	(1.13)
Return after operating charges*	1.87	(1.01)	0.43	4.58	(2.46)	1.02
Distributions ¹	(0.92)	(0.71)	(0.48)	(2.26)	(1.71)	(1.14)
Retained distributions ¹	–	–	–	2.26	1.71	1.14
Closing net asset value	41.06	40.11	41.83	102.84	98.26	100.72
*after direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges (%)	4.66	(2.41)	1.03	4.66	(2.44)	1.02
Other information						
Closing net asset value (£000's)	759	1,119	1,383	12,201	19,509	22,865
Closing number of units	1,849,501	2,789,081	3,307,184	11,863,485	19,853,565	22,701,846
Operating charges (%)	1.07	1.06	1.15	1.07	1.06	1.12
Prices						
Highest dealing price (p) ²	41.75	42.62	42.83	103.00	102.60	102.80
Lowest dealing price (p) ²	40.16	40.54	41.83	98.37	98.33	99.58

Comparative Table (continued)

Financial year to 31 December	L Income units			L Accumulation units		
	2019 p per unit	2018 p per unit	2017 p per unit	2019 p per unit	2018 p per unit	2017 p per unit
Change in net asset value						
Opening net asset value	48.15	49.96	49.76	51.43	52.45	51.66
Return before operating charges*	2.77	(0.68)	1.07	2.97	(0.72)	1.10
Operating charges	(0.28)	(0.28)	(0.30)	(0.30)	(0.30)	(0.31)
Return after operating charges*	2.49	(0.96)	0.77	2.67	(1.02)	0.79
Distributions ¹	(1.11)	(0.85)	(0.57)	(1.19)	(0.89)	(0.59)
Retained distributions ¹	–	–	–	1.19	0.89	0.59
Closing net asset value	49.53	48.15	49.96	54.10	51.43	52.45
*after direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges (%)	5.17	(1.92)	1.55	5.19	(1.94)	1.53
Other information						
Closing net asset value (£000's)	692	254	766	7,177	7,404	11,047
Closing number of units	1,396,953	527,178	1,532,414	13,266,750	14,395,894	21,061,292
Operating charges (%)	0.57	0.56	0.61	0.57	0.56	0.60
Prices						
Highest dealing price (p) ²	50.36	50.95	51.02	54.16	53.49	53.42
Lowest dealing price (p) ²	48.20	48.66	49.74	51.49	51.46	51.63

Comparative Table (continued)

Financial year to 31 December	X Income units			X Income (Monthly) units
	2019 p per unit	2018 p per unit	2017 p per unit	2019 p per unit
Change in net asset value				
Opening net asset value	47.08	48.66	48.24	50.00
Return before operating charges*	2.71	(0.67)	1.05	0.68
Operating charges	(0.03)	(0.03)	(0.03)	(0.03)
Return after operating charges*	2.68	(0.70)	1.02	0.65
Distributions ¹	(1.13)	(0.88)	(0.60)	(0.78)
Retained distributions ¹	–	–	–	–
Closing net asset value	48.63	47.08	48.66	49.87
*after direct transaction costs of	0.00	0.00	0.00	0.00
Performance				
Return after charges (%)	5.69	(1.44)	2.11	1.30
Other information				
Closing net asset value (£000's)	10,579	10,241	10,584	11,597
Closing number of units	21,753,583	21,753,583	21,753,583	23,254,532
Operating charges (%)	0.07	0.06	0.05	0.07
Prices				
Highest dealing price (p) ²	49.47	49.66	49.62	50.20
Lowest dealing price (p) ²	47.14	47.60	48.26	49.61

X Income (Monthly) units

The unit class was launched on 1 July 2019.

Comparative Table (continued)

Financial year to 31 December	Z Income units			Z Accumulation units		
	2019 p per unit	2018 p per unit	2017 p per unit	2019 p per unit	2018 p per unit	2017 p per unit
Change in net asset value						
Opening net asset value	46.91	48.72	48.57	53.22	54.33	53.56
Return before operating charges*	2.70	(0.66)	1.05	3.08	(0.75)	1.15
Operating charges	(0.32)	(0.32)	(0.35)	(0.37)	(0.36)	(0.38)
Return after operating charges*	2.38	(0.98)	0.70	2.71	(1.11)	0.77
Distributions ¹	(1.08)	(0.83)	(0.55)	(1.23)	(0.92)	(0.61)
Retained distributions ¹	–	–	–	1.23	0.92	0.61
Closing net asset value	48.21	46.91	48.72	55.93	53.22	54.33
*after direct transaction costs of	0.00	0.00	0.00	0.00	0.00	0.00
Performance						
Return after charges (%)	5.07	(2.01)	1.44	5.09	(2.04)	1.44
Other information						
Closing net asset value (£000's)	4,335	5,345	8,264	34,323	38,459	35,633
Closing number of units	8,991,947	11,395,203	16,959,824	61,372,600	72,259,885	65,581,362
Operating charges (%)	0.67	0.66	0.70	0.67	0.66	0.70
Prices						
Highest dealing price (p) ²	49.02	49.68	49.78	55.99	55.39	55.36
Lowest dealing price (p) ²	46.96	47.41	48.54	53.28	53.26	53.53

1 These figures have been rounded to 2 decimal places.

2 Prior to 17 September 2018, the price was highest buying and lowest selling.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a fund based on the financial year's expenses and may vary from year to year. It includes charges such as the fund's Annual management charge, Registrar fees, Safe custody fees, Trustee's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the fund (unless these assets are units of another fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.19	Market Value £000's	% of net assets
Collective Investment Schemes 3.46% (2.18%)			
Chinese Fixed Income Funds 1.92% (0.00%)			
Schroder China Local Currency Bond Fund I Accumulation CNH ^{^†}	18,643	1,573	1.92
		1,573	1.92
Emerging Markets Fixed Interest Funds 1.54% (2.18%)			
Schroder Emerging Market Bond Fund I Accumulation USD ^{^†}	12,000	1,256	1.54
		1,256	1.54
Collective Investment Schemes total			
		2,829	3.46
Government Bonds 8.21% (4.05%)			
Brazil 1.11% (0.53%)			
Brazil Notas do Tesouro Nacional 10% 01/01/2025	BRL4,000	902	1.11
		902	1.11
France 0.60% (0.00%)			
France Government Bond OAT 1.5% 25/05/2050	€496,250	485	0.60
		485	0.60
Germany 2.69% (0.00%)			
State of North Rhine-Westphalia Germany FRN 1.091% 15/10/2024	£2,200,000	2,199	2.69
		2,199	2.69
South Africa 0.78% (0.00%)			
South Africa Government Bond 10.5% 21/12/2026	ZAR10,604,000	639	0.78
		639	0.78

	Holding at 31.12.19	Market Value £000's	% of net assets
Spain 1.29% (0.00%)			
Spain Government Bond 1.95% 30/07/2030	€1,084,000	1,055	1.29
		1,055	1.29
United Kingdom 1.09% (3.52%)			
UK Treasury 1.75% 22/01/2049	£808,000	891	1.09
		891	1.09
United States of America 0.65% (0.00%)			
US Treasury Bill 0% 21/01/2020	US\$700,000	530	0.65
US Treasury 2.875% 15/05/2028	US\$5,000	4	0.00
		534	0.65
Government Bonds total			
		6,705	8.21
Corporate Bonds 82.54% (88.95%)			
Australia 0.08% (0.08%)			
Boral Finance 3% 01/11/2022	US\$90,000	68	0.08
		68	0.08
Bermuda 0.36% (0.24%)			
Fly Leasing 5.25% 15/10/2024	US\$275,000	217	0.26
VOC Escrow 5% 15/02/2028	US\$100,000	79	0.10
		296	0.36
Canada 4.42% (3.62%)			
Toronto-Dominion Bank FRN 1.181% 24/06/2022	£1,700,000	1,701	2.08
Royal Bank of Canada FRN 1.291% 03/10/2024	£1,600,000	1,601	1.96

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
Canada (continued)			
Royal Bank of Canada 2.25% 01/11/2024	US\$66,000	50	0.06
Bausch Health 5.5% 01/11/2025	US\$58,000	46	0.06
Cenovus Energy 4.25% 15/04/2027	US\$33,000	27	0.03
Canadian Natural Resources 3.85% 01/06/2027	US\$40,000	32	0.04
Cenovus Energy 5.4% 15/06/2047	US\$24,000	21	0.03
Rogers Communications 4.35% 01/05/2049	US\$58,000	49	0.06
Enbridge FRN 6% 15/01/2077	US\$100,000	80	0.10
		3,607	4.42

Cayman Islands 1.90% (2.70%)

Avolon Holdings Funding 3.625% 01/05/2022	US\$27,000	21	0.03
Shackleton CLO FRN, Series 2015-8A 3.198% 20/10/2027	US\$250,000	189	0.23
Magnetite XVIII FRN, Series 2016-18A 3.238% 15/11/2028	US\$250,000	189	0.23
Madison Park Funding XXVI FRN, Series 2017-26A 3.128% 29/07/2030	US\$250,000	189	0.23
Dewolf Park Clo FRN, Series 2017-1A 3.513% 15/10/2030	US\$250,000	189	0.23
THL Credit Wind River CLO FRN, Series 2013-2A 3.53% 18/10/2030	US\$250,000	189	0.23
Madison Park Funding XVIII FRN, Series 2015-18A 3.156% 21/10/2030	US\$250,000	189	0.23
Cedar Funding V CLO FRN, Series 2016-5A 3.102% 17/07/2031	US\$250,000	189	0.23

	Holding at 31.12.19	Market Value £000's	% of net assets
Cayman Islands (continued)			
Sharps SP I, Series 2006-HE3N 'NA' 6.40% 25/06/2036	US\$1,337,560	0.00	0.00
ECAF I, Series 2015-1A 3.473% 15/06/2040	US\$272,512	207	0.26
		1,551	1.90

Denmark 0.96% (0.00%)

Danske Bank 5.375% 12/01/2024	US\$950,000	787	0.96
		787	0.96

France 0.24% (1.37%)

Constellium 5.875% 15/02/2026	US\$250,000	199	0.24
		199	0.24

Germany 0.22% (0.22%)

EnBW Energie Baden- Wuerttemberg FRN 3.375% 05/04/2077	€200,000	179	0.22
		179	0.22

Ireland 0.20% (0.58%)

Bank of Ireland Group 4.5% 25/11/2023	US\$200,000	161	0.20
		161	0.20

Italy 3.25% (2.17%)

FCA Bank FRN 0% 17/06/2021	€722,000	613	0.75
UniCredit 6.572% 14/01/2022	US\$900,000	730	0.89
Telecom Italia 4% 11/04/2024	€400,000	376	0.46
Enel FRN 7.75% 10/09/2075	£796,000	829	1.02
Enel FRN 6.625% 15/09/2076	£100,000	108	0.13
		2,656	3.25

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
Luxembourg 0.23% (0.09%)			
Ingersoll-Rand Luxembourg Finance 3.5% 21/03/2026	US\$93,000	74	0.09
DH Europe Finance II Sarl 2.6% 15/11/2029	US\$36,000	27	0.04
Eurofins Scientific FRN 3.25% Perpetual	€100,000	83	0.10
		184	0.23

Mexico 0.00% (0.95%)			
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Netherlands 2.18% (3.86%)			
Bayer Capital FRN 0.151% 26/06/2022	€400,000	341	0.42
Deutsche Telekom International Finance FRN 0% 01/12/2022	€925,000	788	0.97
Cooperatieve Rabobank 4.625% 01/12/2023	US\$250,000	205	0.25
Selecta Group FRN 5.375% 01/02/2024	€100,000	86	0.10
Koninklijke KPN FRN 6.875% 14/03/2073	£355,000	358	0.44
		1,778	2.18

Norway 1.57% (3.38%)			
Nordea Eiendomskreditt FRN 1.124% 18/06/2023	£1,283,000	1,278	1.57
		1,278	1.57

Peru 0.00% (0.19%)			
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Spain 0.29% (0.41%)			
Banco Santander 3.125% 23/02/2023	US\$200,000	154	0.19
Grupo Antolin-Irausa 3.25% 30/04/2024	€100,000	83	0.10
		237	0.29

	Holding at 31.12.19	Market Value £000's	% of net assets
Supranational 0.08% (0.00%)			
Titan Acquisition 7.75% 15/04/2026	US\$55,000	41	0.05
NXP 3.875% 18/06/2026	US\$31,000	25	0.03
		66	0.08

Sweden 1.70% (1.80%)			
Stadshypotek FRN 0.994% 11/01/2023	£1,400,000	1,391	1.70
		1,391	1.70

Switzerland 1.50% (3.39%)			
UBS Group FRN 2.859% 15/08/2023	US\$200,000	154	0.19
Credit Suisse Group FRN 3.127% 12/06/2024	US\$1,155,000	884	1.08
Credit Suisse Group FRN 2.593% 11/09/2025	US\$250,000	189	0.23
		1,227	1.50

United Kingdom 27.71% (21.59%)			
HSBC Holdings FRN 2.504% 18/05/2021	US\$1,867,000	1,414	1.73
Jerrold Finco 6.25% 15/09/2021	£100,000	102	0.12
Investec 4.5% 05/05/2022	£770,000	815	1.00
Nationwide Building Society FRN 1.149% 02/08/2022	£611,000	611	0.75
IDH Finance FRN 6.789% 15/08/2022	£100,000	91	0.11
HSBC Holdings FRN 0.301% 27/09/2022	€1,100,000	940	1.15
National Westminster Bank FRN 1.312% 22/03/2023	£1,000,000	1,005	1.23
Leeds Building Society FRN 1.331% 15/04/2023	£1,000,000	1,005	1.23

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
United Kingdom (continued)			
Barclays Bank UK FRN 1.207% 15/05/2023	£1,500,000	1,501	1.84
William Hill 4.875% 07/09/2023	£300,000	320	0.39
Royal Bank of Scotland Group 3.875% 12/09/2023	US\$200,000	158	0.19
Nationwide Building Society FRN 1.461% 10/01/2024	£1,649,000	1,664	2.04
Santander UK FRN 1.441% 12/02/2024	£954,000	961	1.18
TSB Bank FRN 1.597% 15/02/2024	£2,088,000	2,111	2.58
Skipton Building Society FRN 1.407% 22/02/2024	£660,000	664	0.81
Standard Chartered FRN 3.885% 15/03/2024	US\$295,000	231	0.28
Unique Pub Finance 7.395% 28/03/2024	£979,000	1,116	1.37
Lloyds Bank FRN 1.282% 16/05/2024	£2,086,000	2,087	2.56
Arrow Global Finance 5.125% 15/09/2024	£100,000	102	0.12
Santander UK FRN 1.311% 12/11/2024	£1,549,000	1,552	1.90
Yorkshire Building Society FRN 1.291% 21/11/2024	£1,639,000	1,641	2.01
eG Global Finance 6.75% 07/02/2025	US\$298,000	230	0.28
Iceland Bondco 4.625% 15/03/2025	£152,000	132	0.16
Virgin Money UK FRN 3.125% 22/06/2025	£100,000	100	0.12
Pinewood Finance 3.25% 30/09/2025	£103,000	106	0.13
HSBC Holdings FRN 2.633% 07/11/2025	US\$200,000	152	0.19
Alba FRN, Series 2006-2 0.951% 15/12/2038	£187,440	177	0.22
Alba FRN, Series 2007-1 0.953% 17/03/2039	£92,148	88	0.11

	Holding at 31.12.19	Market Value £000's	% of net assets
United Kingdom (continued)			
RMAC Securities No. 1 FRN, Series 2006-NS4X 0.95% 12/06/2044	£135,148	128	0.16
Aviva FRN 3.875% 03/07/2044	€700,000	663	0.81
Eurohome UK Mortgages FRN, Series 2007-2 0.971% 15/09/2044	£44,969	45	0.05
Eurosail-UK FRN, Series 2007-3X 1.735% 13/06/2045	£146,872	146	0.18
Eurosail PRIME-UK FRN, Series 2007-PR1X A1 1.185% 13/09/2045	£90,501	88	0.11
Eurosail PRIME-UK FRN, Series 2007-PR1X A2 1.185% 13/09/2045	£56,792	55	0.07
EMF-UK FRN, Series 2008-1X 1.765% 13/03/2046	£95,537	95	0.12
Income Contingent Student Loans FRN, Series 2 2.05% 24/07/2058	£155,814	155	0.19
Aviva FRN 5.902% Perpetual	£173,000	177	0.22
		22,628	27.71
United States of America 35.65% (42.31%)			
Regions Bank 2.75% 01/04/2021	US\$250,000	191	0.23
Ford Motor Credit FRN 0.032% 14/05/2021	€992,000	837	1.03
Occidental Petroleum FRN 3.155% 13/08/2021	US\$13,000	10	0.01
BAT Capital FRN 0.101% 16/08/2021	€621,000	528	0.65
Constellation Brands FRN 2.61% 15/11/2021	US\$44,000	33	0.04
Verizon Owner Trust, Series 2017-2A 1.92% 20/12/2021	US\$124,454	94	0.12
SunTrust Banks 2.7% 27/01/2022	US\$98,000	75	0.09

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Carmax Auto Owner Trust, Series 2018-4 3.11% 15/02/2022	US\$223,675	170	0.21
Citigroup FRN 2.9% 25/04/2022	US\$1,200,000	918	1.12
Sherwin-Williams 2.75% 01/06/2022	US\$50,000	38	0.05
Wells Fargo 1.375% 30/06/2022	£1,325,000	1,330	1.63
Occidental Petroleum FRN 3.36% 15/08/2022	US\$48,000	37	0.05
PNC Bank 2.7% 01/11/2022	US\$250,000	193	0.24
Morgan Stanley FRN 0.294% 08/11/2022	€2,700,000	2,307	2.83
Mosaic 3.25% 15/11/2022	US\$210,000	163	0.20
Constellation Brands 3.2% 15/02/2023	US\$40,000	31	0.04
JPMorgan Chase FRN 2.84% 25/04/2023	US\$300,000	229	0.28
Bank of America FRN 0.386% 04/05/2023	€1,500,000	1,286	1.57
Keurig Dr Pepper 4.057% 25/05/2023	US\$90,000	72	0.09
JC Penney 5.875% 01/07/2023	US\$241,000	157	0.19
Comerica 3.7% 31/07/2023	US\$65,000	52	0.06
Roper Technologies 3.65% 15/09/2023	US\$50,000	40	0.05
Goldman Sachs Group FRN 0.221% 26/09/2023	€626,000	534	0.65
Bank of America FRN 3.004% 20/12/2023	US\$338,000	261	0.32
Alexandria Real Estate Equities REIT 4% 15/01/2024	US\$132,000	106	0.13
Fifth Third Bancorp 3.65% 25/01/2024	US\$114,000	91	0.11
Capital One Financial 3.9% 29/01/2024	US\$62,000	50	0.06
Altria Group 3.8% 14/02/2024	US\$25,000	20	0.02

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Boston Scientific 3.45% 01/03/2024	US\$58,000	46	0.06
Welltower REIT 3.625% 15/03/2024	US\$270,000	215	0.26
Synchrony Financial 4.375% 19/03/2024	US\$12,000	10	0.01
JPMorgan Chase FRN 2.664% 23/04/2024	US\$66,000	50	0.06
FHLMC Structured Agency Credit Risk Debt Notes FRN, Series 2014-DN2 5.308% 25/04/2024	US\$250,000	201	0.25
Conagra Brands 4.3% 01/05/2024	US\$81,000	66	0.08
Essex Portfolio REIT 3.875% 01/05/2024	US\$26,000	21	0.03
FNMA FRN, Series 2014-C02 4.392% 25/05/2024	US\$230,086	181	0.22
Citigroup FRN 4.044% 01/06/2024	US\$240,000	192	0.24
Becton Dickinson 3.363% 06/06/2024	US\$100,000	79	0.10
Santander Holdings USA 3.5% 07/06/2024	US\$35,000	27	0.03
Capital One Multi-Asset Execution Trust, Series 2016-A5 1.66% 17/06/2024	US\$293,000	221	0.27
JPMorgan Chase FRN 2.824% 23/07/2024	US\$1,690,000	1,288	1.58
American Express 2.5% 30/07/2024	US\$70,000	54	0.07
Las Vegas Sands 3.2% 08/08/2024	US\$65,000	51	0.06
Cox Communications 3.15% 15/08/2024	US\$8,000	6	0.01
Tyson Foods 3.95% 15/08/2024	US\$45,000	36	0.04
Crown Castle International REIT 3.2% 01/09/2024	US\$200,000	156	0.19
CommonSpirit Health 2.76% 01/10/2024	US\$35,000	27	0.03

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Golden Nugget 6.75% 15/10/2024	US\$145,000	114	0.14
FHLMC Structured Agency Credit Risk Debt Notes FRN, Series 2014-DN4 6.258% 25/10/2024	US\$238,665	194	0.24
FHLMC Structured Agency Credit Risk Debt Notes FRN, Series 2014-HQ3 6.458% 25/10/2024	US\$155,895	125	0.15
BB&T 2.85% 26/10/2024	US\$100,000	78	0.10
Equinix REIT 2.625% 18/11/2024	US\$173,000	131	0.16
AbbVie 2.6% 21/11/2024	US\$126,000	96	0.12
JPMorgan Chase FRN 4.023% 05/12/2024	US\$109,000	88	0.11
Phillips 66 Partners 2.45% 15/12/2024	US\$72,000	54	0.07
Boston Properties REIT 3.2% 15/01/2025	US\$51,000	40	0.05
Vornado Realty REIT 3.5% 15/01/2025	US\$85,000	67	0.08
Fifth Third Bancorp 2.375% 28/01/2025	US\$145,000	110	0.13
Sabine Pass Liquefaction 5.625% 01/03/2025	US\$50,000	43	0.05
Albertsons 5.75% 15/03/2025	US\$95,000	75	0.09
Campbell Soup 3.95% 15/03/2025	US\$58,000	47	0.06
Energy Transfer Operating 4.05% 15/03/2025	US\$60,000	48	0.06
Eldorado Resorts 6% 01/04/2025	US\$241,000	191	0.23
General Mills 4% 17/04/2025	US\$8,000	7	0.01
Citigroup 3.3% 27/04/2025	US\$200,000	158	0.19
Tenet Healthcare 5.125% 01/05/2025	US\$225,000	175	0.21
Tutor Perini 6.875% 01/05/2025	US\$50,000	37	0.05

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
AbbVie 3.6% 14/05/2025	US\$32,000	26	0.03
American Tower REIT 4% 01/06/2025	US\$75,000	61	0.07
Charter Communications Operating 4.908% 23/07/2025	US\$30,000	25	0.03
Morgan Stanley 4% 23/07/2025	US\$240,000	196	0.24
Caesars Resort Collection 5.25% 15/10/2025	US\$190,000	149	0.18
CrownRock 5.625% 15/10/2025	US\$310,000	239	0.29
Scientific Games International 5% 15/10/2025	US\$140,000	111	0.14
Wells Fargo FRN 2.406% 30/10/2025	US\$417,000	316	0.39
Qualitytech 4.75% 15/11/2025	US\$145,000	114	0.14
Morgan Stanley 3.875% 27/01/2026	US\$105,000	85	0.10
Discover Financial Services 4.5% 30/01/2026	US\$120,000	99	0.12
Tyson Foods 4% 01/03/2026	US\$78,000	64	0.08
Bank of America 3.5% 19/04/2026	US\$128,000	103	0.13
Bristol-Myers Squibb 3.2% 15/06/2026	US\$58,000	46	0.06
Fiserv 3.2% 01/07/2026	US\$121,000	95	0.12
EnLink Midstream Partners 4.85% 15/07/2026	US\$105,000	74	0.09
Party City Holdings 6.625% 01/08/2026	US\$50,000	27	0.03
CVS Health 3% 15/08/2026	US\$5,000	4	0.00
Select Medical 6.25% 15/08/2026	US\$24,000	20	0.02
Cheniere Energy Partners 5.625% 01/10/2026	US\$60,000	48	0.06

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Dell International 4.9% 01/10/2026	US\$58,000	48	0.06
Wolverine Escrow 9% 15/11/2026	US\$100,000	79	0.10
AbbVie 2.95% 21/11/2026	US\$124,000	95	0.12
Hexcel 3.95% 15/02/2027	US\$30,000	24	0.03
Cigna 3.4% 01/03/2027	US\$18,000	14	0.02
American Axle & Manufacturing 6.5% 01/04/2027	US\$235,000	184	0.23
Hess 4.3% 01/04/2027	US\$28,000	22	0.03
CSC Holdings 5.5% 15/04/2027	US\$235,000	191	0.23
Wynn Las Vegas 5.25% 15/05/2027	US\$164,000	132	0.16
Wells Fargo FRN 3.196% 17/06/2027	US\$14,000	11	0.01
Michaels Stores 8% 15/07/2027	US\$50,000	36	0.04
Digital Realty Trust REIT 3.7% 15/08/2027	US\$160,000	128	0.16
Concho Resources 3.75% 01/10/2027	US\$80,000	64	0.08
EQT 3.9% 01/10/2027	US\$150,000	106	0.13
MPT Operating Partnership REIT 5% 15/10/2027	US\$225,000	181	0.22
Parsley Energy 5.625% 15/10/2027	US\$139,000	111	0.14
FHLMC Structured Agency Credit Risk Debt Notes FRN, Series 2015-DNA1 5.008% 25/10/2027	US\$250,000	202	0.25
Synchrony Financial 3.95% 01/12/2027	US\$50,000	40	0.05
FHLMC Structured Agency Credit Risk Debt Notes FRN, Series 2015-DNA2 4.308% 25/12/2027	US\$18,064	14	0.02
CCO Holdings 5% 01/02/2028	US\$225,000	179	0.22

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Encompass Health 4.5% 01/02/2028	US\$12,000	9	0.01
AT&T 4.1% 15/02/2028	US\$50,000	41	0.05
Constellation Brands 3.6% 15/02/2028	US\$37,000	29	0.04
Southern California Edison 3.65% 01/03/2028	US\$26,000	21	0.03
Sabine Pass Liquefaction 4.2% 15/03/2028	US\$56,000	45	0.06
Anheuser-Busch InBev Worldwide 4% 13/04/2028	US\$23,000	19	0.02
FHLMC Structured Agency Credit Risk Debt Notes FRN, Series 2015-HQA2 4.508% 25/05/2028	US\$39,382	30	0.04
Camden Property Trust REIT 4.1% 15/10/2028	US\$11,000	9	0.01
DuPont de Nemours 4.725% 15/11/2028	US\$32,000	27	0.03
GLP Capital REIT 5.3% 15/01/2029	US\$86,000	72	0.09
Southern California Edison 4.2% 01/03/2029	US\$110,000	91	0.11
Tyson Foods 4.35% 01/03/2029	US\$35,000	30	0.04
Merck 3.4% 07/03/2029	US\$24,000	20	0.02
Onemain Financial Issuance Trust, Series 2018-1A 3.3% 14/03/2029	US\$200,000	154	0.19
FNMA FRN, Series 2016-C06 3.092% 25/04/2029	US\$26,316	20	0.02
Discovery Communications 4.125% 15/05/2029	US\$38,000	31	0.04
Fidelity National Information Services 3.75% 21/05/2029	US\$42,000	35	0.04
Mastercard 2.95% 01/06/2029	US\$127,000	100	0.12

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Boston Properties REIT 3.4% 21/06/2029	US\$100,000	79	0.10
Camden Property Trust REIT 3.15% 01/07/2029	US\$29,000	23	0.03
Bristol-Myers Squibb 3.4% 26/07/2029	US\$180,000	146	0.18
Dell International 5.3% 01/10/2029	US\$64,000	54	0.07
Thermo Fisher Scientific 2.6% 01/10/2029	US\$28,000	21	0.03
Qorvo 4.375% 15/10/2029	US\$45,000	36	0.04
FNMA FRN, Series 2017-C03 2.742% 25/10/2029	US\$222,927	169	0.21
Cheniere Corpus Christi Holdings 3.7% 15/11/2029	US\$34,000	26	0.03
S&P Global 2.5% 01/12/2029	US\$161,000	123	0.15
VICI Properties REIT 4.625% 01/12/2029	US\$40,000	32	0.04
Centene 4.625% 15/12/2029	US\$39,000	31	0.04
Essex Portfolio REIT 3% 15/01/2030	US\$82,000	62	0.08
UDR REIT 3.2% 15/01/2030	US\$44,000	34	0.04
AT&T 4.3% 15/02/2030	US\$53,000	44	0.05
Sensata Technologies 4.375% 15/02/2030	US\$100,000	77	0.09
Targa Resources Partners 5.5% 01/03/2030	US\$62,000	48	0.06
BX Trust FRN, Series 2018-BILT 4.685% 15/05/2030	US\$250,000	189	0.23
Netflix 4.875% 15/06/2030	US\$99,000	76	0.09
One Market Plaza Trust, Series 2017-1MKT 4.016% 10/02/2032	US\$234,000	181	0.22
One Market Plaza Trust 4.146% 10/02/2032	US\$175,000	135	0.17

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
OneMain Financial Issuance Trust FRN, Series 2017-1A 2.562% 14/09/2032	US\$141,998	108	0.13
New Century Home Equity Loan Trust FRN, Series 2003-3 7.333% 25/07/2033	US\$80,325	61	0.07
CWABS Revolving Home Equity Loan Trust FRN, Series 2004-J 1A 2.055% 15/12/2033	US\$3,109	2	0.00
CWABS Revolving Home Equity Loan Trust FRN, Series 2004-J 2A 2.055% 15/12/2033	US\$41,501	31	0.04
CWABS Revolving Home Equity Loan Trust FRN, Series 2004-C 1.985% 15/01/2034	US\$23,898	18	0.02
Citigroup Mortgage Loan Trust Asset- Backed Pass-Through Certifi FRN, Series 2004-OPT1 2.623% 25/10/2034	US\$38,734	29	0.04
Specialty Underwriting & Residential Finance Trust FRN, Series 2003-BC4 4.788% 25/11/2034	US\$61,120	47	0.06
BX Trust FRN, Series 2018-MCSF 2.342% 15/04/2035	US\$250,000	189	0.23
Aegis Asset-Backed Securities Trust Mortgage Pass- Through Ctfs FRN, Series 2005-4 2.158% 25/10/2035	US\$69,719	53	0.07
BF Mortgage Trust FRN, Series 2019-NYT 2.94% 15/11/2035	US\$161,000	122	0.15
BX Commercial Mortgage Trust FRN, Series 2018-IND 3.065% 15/11/2035	US\$76,300	58	0.07
Bayview Commercial Asset Trust FRN, Series 2005-3A 2.112% 25/11/2035	US\$126,375	92	0.11

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Ameriquest Mortgage Securities Asset Backed Pass-Through Ctfs FRN, Series 2005-R11 2.178% 25/01/2036	US\$250,000	188	0.23
SACO I Trust FRN, Series 2006-3 2.168% 25/04/2036	US\$88,021	66	0.08
Home Equity Asset Trust FRN, Series 2006-2 1.918% 25/05/2036	US\$401,649	303	0.37
Impac Secured Assets Trust FRN, Series 2006-1 2.142% 25/05/2036	US\$288,815	212	0.26
Impac Secured Assets Trust FRN, Series 2006-1 2.202% 25/05/2036	US\$38,269	28	0.03
BBCMS Mortgage Trust FRN, Series 2017-DELC 2.615% 15/08/2036	US\$250,000	189	0.23
COMM Mortgage Trust FRN, Series 2019-WCM 3.965% 15/10/2036	US\$250,000	189	0.23
HPLY Trust FRN, Series 2019-HIT 3.765% 15/11/2036	US\$232,865	176	0.22
BX Commercial Mortgage Trust FRN, Series 2018-BIOA 3.716% 15/03/2037	US\$159,000	120	0.15
ACE Securities Corp. Home Equity Loan Trust FRN, Series 2007-SL2 2.873% 25/05/2037	US\$181,053	137	0.17
Bayview Commercial Asset Trust FRN, Series 2007-2A 2.062% 25/07/2037	US\$105,918	76	0.09
CAMB Commercial Mortgage Trust FRN, Series 2019-LIFE 5.015% 15/12/2037	US\$250,000	190	0.23
Sempra Energy 3.8% 01/02/2038	US\$100,000	79	0.10
MPLX 4.5% 15/04/2038	US\$130,000	100	0.12

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Bayer US Finance II 4.625% 25/06/2038	US\$200,000	165	0.20
Comcast 4.6% 15/10/2038	US\$121,000	109	0.13
Hilton USA Trust FRN, Series 2016-HHV C 4.333% 05/11/2038	US\$325,000	262	0.32
Hilton USA Trust FRN, Series 2016-HHV D 4.333% 05/11/2038	US\$325,000	256	0.31
Dow Chemical 9.4% 15/05/2039	US\$39,000	49	0.06
MSSG Trust, Series 2017-237P 3.865% 13/09/2039	US\$143,000	110	0.13
Barrick North America Finance 5.7% 30/05/2041	US\$50,000	47	0.06
Anheuser-Busch InBev Worldwide 3.75% 15/07/2042	US\$63,000	49	0.06
General Electric 4.125% 09/10/2042	US\$8,000	6	0.01
AT&T 4.3% 15/12/2042	US\$45,000	36	0.04
Triton Container Finance V, Series 2018-1A 3.95% 20/03/2043	US\$165,825	126	0.15
FedEx 4.1% 01/02/2045	US\$39,000	29	0.04
Apple 3.45% 09/02/2045	US\$24,000	19	0.02
Valero Energy 4.9% 15/03/2045	US\$66,000	57	0.07
Devon Energy 5% 15/06/2045	US\$120,000	105	0.13
WaMu Mortgage Pass-Through Trust FRN, Series 2005-AR11 2.112% 25/08/2045	US\$50,143	38	0.05
WaMu Mortgage Pass-Through Trust FRN, Series 2005-AR13 2.082% 25/10/2045	US\$193,991	144	0.18
Anheuser-Busch 4.9% 01/02/2046	US\$36,000	32	0.04
AT&T 4.75% 15/05/2046	US\$30,000	26	0.03
Fortive 4.3% 15/06/2046	US\$50,000	39	0.05

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
J.P. Morgan Mortgage Trust FRN, Series 2016-3 3.5% 25/10/2046	US\$55,157	42	0.05
Energy Transfer Operating 5.3% 15/04/2047	US\$62,000	50	0.06
HCA 5.5% 15/06/2047	US\$66,000	57	0.07
BAT Capital 4.54% 15/08/2047	US\$120,000	91	0.11
J.P. Morgan Mortgage Trust FRN, Series 2017-3 3.5% 25/08/2047	US\$73,951	57	0.07
Prudential Financial FRN 4.5% 15/09/2047	US\$64,000	50	0.06
CVS Health 5.05% 25/03/2048	US\$101,000	91	0.11
Marathon Petroleum 4.5% 01/04/2048	US\$58,000	46	0.06
AXA Equitable Holdings 5% 20/04/2048	US\$64,000	52	0.06
Kansas City Southern 4.7% 01/05/2048	US\$140,000	123	0.15
Corning 5.35% 15/11/2048	US\$45,000	43	0.05
Mastercard 3.65% 01/06/2049	US\$30,000	25	0.03
FHLMC Pool RA1218 3.5% 01/08/2049	US\$485,485	379	0.46
FHLMC Pool RA1219 3.5% 01/08/2049	US\$241,260	189	0.23
FNMA FM1540 4% 01/09/2049	US\$237,037	188	0.23
FHLMC Pool SD8016 3% 01/10/2049	US\$493,585	380	0.47
FNMA MA3802 3% 01/10/2049	US\$325,941	250	0.31
FNMA MA3803 3.5% 01/10/2049	US\$245,841	192	0.23
FNMA MA3871 3% 01/12/2049	US\$179,509	138	0.17
Towd Point Mortgage Trust FRN, Series 2017-5 2.308% 25/02/2057	US\$83,730	63	0.08

	Holding at 31.12.19	Market Value £000's	% of net assets
United States of America (continued)			
Towd Point Mortgage Trust FRN, Series 2017-4 2.75% 25/06/2057	US\$64,021	49	0.06
Towd Point Mortgage Trust FRN, Series 2017-3 2.75% 25/07/2057	US\$108,432	82	0.10
Comcast 4.95% 15/10/2058	US\$51,000	50	0.06
MetLife 6.4% 15/12/2066	US\$56,000	52	0.06
Enterprise Products Operating FRN 5.375% 15/02/2078	US\$70,000	52	0.06
Bank of America FRN 6.25% Perpetual	US\$225,000	189	0.23
BB&T FRN 4.8% Perpetual	US\$166,000	129	0.16
Energy Transfer Operating FRN 6.625% Perpetual	US\$242,000	172	0.21
JPMorgan Chase FRN 6.125% Perpetual	US\$100,000	83	0.10
M&T Bank FRN 5.125% Perpetual	US\$105,000	86	0.11
Progressive FRN 5.375% Perpetual	US\$170,000	134	0.16
Truist Financial FRN 5.125% Perpetual	US\$214,000	168	0.21
		29,109	35.65

Corporate Bonds total **67,402** **82.54**

Convertible Bonds 0.21% (0.00%)

Spain 0.21% (0.00%)

International Consolidated Airlines Group 0.63% 17/11/2022	€200,000	171	0.21
		171	0.21

Convertible Bonds total **171** **0.21**

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
Supranationals 3.01% (0.00%)			
International Bank for Reconstruction & Development FRN 0.93% 13/12/2022	£831,000	831	1.02
European Investment Bank FRN 1.06% 29/06/2023	£1,625,000	1,629	1.99
		2,460	3.01

Supranationals total		2,460	3.01
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Swaps (1.33)% ((0.53)%)			
Credit Default Swap Citigroup Buy Standard Chartered Bank 5.875% 26/09/2017 20/09/2020	EUR 1,550,000	(9)	(0.01)
Credit Default Swap BNP Paribas Buy Intesa Sanpaolo 0% 03/03/2017 20/06/2021	EUR 1,050,000	(9)	(0.01)
Credit Default Swap Barclays Buy Wendel 3.75% 21/01/2021 20/06/2021	EUR 620,000	(39)	(0.05)
Credit Default Swap Morgan Stanley Buy CDX.NA.HY.32-V3 20/06/2024	USD 6,823,000	(509)	(0.62)
Credit Default Swap Morgan Stanley Buy ITRAXX.EUROPE. CROSSOVER.31-V2 20/06/2024	EUR 3,900,000	(387)	(0.48)
Credit Default Swap Morgan Stanley Buy CDX.NA.IG.33-V1 20/12/2024	USD 6,527,000	(130)	(0.16)
Swaps total		(1,083)	(1.33)

Swaptions (0.24)% (0.03%)			
Interest Rate Swap Morgan Stanley Pay fixed 1.958% Receive floating LIBOR 3 month Put 1.958 29/06/2030	USD(4,937,000)	(52)	(0.06)

	Holding at 31.12.19	Market Value £000's	% of net assets
Swaptions (continued)			
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.958% Call 1.958 29/06/2030	USD(4,937,000)	(71)	(0.09)
Interest Rate Swap Morgan Stanley Pay floating LIBOR 3 month Receive fixed 1.655% Call 1.655 10/08/2030	USD(2,372,000)	(17)	(0.02)
Interest Rate Swap Morgan Stanley Pay fixed 1.655% Receive floating LIBOR 3 month Put 1.655 10/08/2030	USD(2,372,000)	(58)	(0.07)
Swaptions total		(198)	(0.24)

Options 0.03% (0.00%)			
Purchased Options 0.16% (0.00%)			
Foreign Exchange EUR/GBP Call 0.965 29/04/2020	1,925,000	0	0.00
Foreign Exchange GBP/EUR Put 0.895 29/04/2020	1,925,000	78	0.10
Foreign Exchange JPY/USD Put 104.5 07/01/2020	1,057,000	0	0.00
Foreign Exchange USD/CAD Call 1.375 07/01/2020	1,057,000	0	0.00
US Treasury 10 Year Note Call 128.5 21/02/2020	93	52	0.06
Purchased Options total		130	0.16

Written Options (0.13)% (0.00%)			
Foreign Exchange EUR/GBP Call 0.965 29/04/2020	(1,925,000)	(1)	0.00
Foreign Exchange GBP/EUR Put 0.895 29/04/2020	(1,925,000)	(78)	(0.10)
Foreign Exchange JPY/USD Put 104.5 07/01/2020	(1,057,000)	0	0.00

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
Written Options (continued)			
Foreign Exchange KRW/USD Put 1,190 03/01/2020	(1,121,000)	(24)	(0.03)
Written Options total		(103)	(0.13)
Options total		27	0.03

Forward Foreign Currency Contracts 1.45% ((1.96)%)			
Buy AUD 3,613,803 Sell JPY 271,500,000 16/01/2020	AUD 3,613,803	24	0.04
Buy BRL 9,800,039 Sell USD 2,350,917 04/02/2020	BRL 9,800,039	64	0.08
Buy CAD 185,000 Sell GBP 108,855 16/01/2020	CAD 185,000	(1)	0.00
Buy CAD 2,815,900 Sell USD 2,118,843 16/01/2020	CAD 2,815,900	34	0.04
Buy COP 716,949,200 Sell USD 213,295 16/01/2020	COP 716,949,200	4	0.01
Buy CZK 75,685,600 Sell EUR 2,970,968 16/01/2020	CZK 75,685,600	5	0.00
Buy EUR 480,110 Sell GBP 400,637 16/01/2020	EUR 480,110	8	0.01
Buy EUR 9,412,975 Sell GBP 8,114,892 16/01/2020	EUR 9,412,975	(109)	(0.13)
Buy EUR 1,961,740 Sell PLN 8,369,311 16/01/2020	EUR 1,961,740	(1)	0.00
Buy IDR 35,920,352,268 Sell USD 2,558,412 16/01/2020	IDR 35,920,352,268	25	0.03

	Holding at 31.12.19	Market Value £000's	% of net assets
Forward Foreign Currency Contracts (continued)			
Buy INR 153,224,200 Sell USD 2,120,635 16/01/2020	INR 153,224,200	19	0.02
Buy INR 229,358,200 Sell USD 3,216,241 16/01/2020	INR 229,358,200	(2)	0.00
Buy JPY 320,616,891 Sell GBP 2,287,022 16/01/2020	JPY 320,616,891	(51)	(0.06)
Buy MXN 21,001,212 Sell EUR 985,487 16/01/2020	MXN 21,001,212	0	0.00
Buy MXN 62,971,160 Sell USD 3,306,742 16/01/2020	MXN 62,971,160	12	0.01
Buy MYR 1,988,200 Sell USD 481,288 16/01/2020	MYR 1,988,200	3	0.00
Buy NOK 65,686,400 Sell GBP 5,567,665 16/01/2020	NOK 65,686,400	91	0.11
Buy PLN 13,788,507 Sell EUR 3,194,882 16/01/2020	PLN 13,788,507	33	0.04
Buy PLN 6,238,000 Sell USD 1,603,137 16/01/2020	PLN 6,238,000	31	0.04
Buy RUB 271,285,705 Sell USD 4,320,648 16/01/2020	RUB 271,285,705	25	0.02
Buy SEK 4,676,365 Sell GBP 378,498 16/01/2020	SEK 4,676,365	2	0.00
Buy SGD 721,665 Sell USD 530,207 16/01/2020	SGD 721,665	5	0.01
Buy USD 1,264,624 Sell BRL 5,114,900 04/02/2020	USD 1,264,624	(5)	(0.01)

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
Forward Foreign Currency Contracts (continued)			
Buy USD 1,082,948 Sell CAD 1,414,000 16/01/2020	USD 1,082,948	(2)	0.00
Buy USD 2,717,136 Sell EUR 2,436,563 16/01/2020	USD 2,717,136	(17)	(0.02)
Buy USD 930,000 Sell GBP 716,791 16/01/2020	USD 930,000	(13)	(0.01)
Buy USD 1,341,506 Sell GBP 1,005,195 22/01/2020	USD 1,341,506	10	0.01
Buy USD 109,352 Sell GBP 83,875 04/02/2020	USD 109,352	(1)	0.00
Buy USD 5,278,476 Sell KRW 6,133,384,750 16/01/2020	USD 5,278,476	(26)	(0.03)
Buy USD 1,589,753 Sell MXN 31,152,800 16/01/2020	USD 1,589,753	(41)	(0.05)
Buy USD 529,774 Sell MYR 2,204,920 16/01/2020	USD 529,774	(7)	(0.01)
Buy USD 2,652,022 Sell RUB 170,855,300 16/01/2020	USD 2,652,022	(68)	(0.10)
Buy USD 7,205,265 Sell TWD 217,310,800 16/01/2020	USD 7,205,265	(42)	(0.05)
Buy ZAR 556,710 Sell GBP 29,922 16/01/2020	ZAR 556,710	0	0.00
Sell AUD 2,989,015 Buy GBP 1,600,169 16/01/2020	AUD (2,989,015)	13	0.02
Sell CAD 1,451,866 Buy GBP 853,295 16/01/2020	CAD (1,451,866)	10	0.01
Sell CHF 2,020,152 Buy GBP 1,583,323 16/01/2020	CHF (2,020,152)	0	0.00
Sell CHF 2,168,000 Buy GBP 1,652,569 16/01/2020	CHF (2,168,000)	(46)	(0.06)

	Holding at 31.12.19	Market Value £000's	% of net assets
Forward Foreign Currency Contracts (continued)			
Sell CNH 14,271,000 Buy GBP 1,575,486 16/01/2020	CNH (14,271,000)	25	0.03
Sell CZK 70,566,107 Buy GBP 2,377,827 16/01/2020	CZK (70,566,107)	18	0.02
Sell EUR 12,847,223 Buy GBP 11,089,345 16/01/2020	EUR (12,847,223)	165	0.20
Sell EUR 1,258,209 Buy GBP 1,069,335 16/01/2020	EUR (1,258,209)	(1)	0.00
Sell PLN 4,109,490 Buy GBP 826,693 16/01/2020	PLN (4,109,490)	7	0.01
Sell SGD 652,200 Buy GBP 371,813 16/01/2020	SGD (652,200)	5	0.01
Sell USD 58,562,434 Buy GBP 45,318,696 16/01/2020	USD (58,562,434)	1,002	1.24
Sell USD 100,000 Buy GBP 75,632 16/01/2020	USD (100,000)	0	0.00
Sell ZAR 12,056,571 Buy GBP 623,200 16/01/2020	ZAR (12,056,571)	(26)	(0.03)
Forward Foreign Currency Contracts total		1,181	1.45
Futures 0.25% ((0.75)%)			
Euro-Bobl March 2020	(63)	31	0.04
Euro-BTP March 2020	13	(8)	(0.01)
Euro-Bund March 2020	(12)	14	0.02
Euro-Buxl 30 Year Bond March 2020	(4)	27	0.03
Korea 10 Year Bond March 2020	14	2	0.00
Long Gilt March 2020	(49)	53	0.06

Portfolio Statement (continued)

	Holding at 31.12.19	Market Value £000's	% of net assets
Futures (continued)			
US 2 Year Note March 2020	205	31	0.04
US 5 Year Note March 2020	46	(14)	(0.01)
US 10 Year Note March 2020	(147)	31	0.04
US 10 Year Ultra Bond March 2020	12	(15)	(0.02)
US Long Bond March 2020	(22)	52	0.06
Futures total		204	0.25
Portfolio of investments		79,698	97.59
Net other assets		1,965	2.41
Net assets attributable to unitholders		81,663	100.00

The comparative percentage figures in brackets are as at 31 December 2018.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

^ Unlisted, suspended or delisted security.

† A related party to the fund.

Statement of Total Return

For the year ended 31 December 2019

		2019		2018	
	Notes	£000's	£000's	£000's	£000's
Income					
Net capital gains/(losses)	2		2,406		(2,683)
Revenue	3	1,839		1,585	
Expenses	4	(504)		(579)	
Net revenue before taxation		1,335		1,006	
Taxation	5	0		0	
Net revenue after taxation			1,335		1,006
Total return before distributions			3,741		(1,677)
Distributions	6		(1,718)		(1,470)
Change in net assets attributable to unitholders from investment activities			2,023		(3,147)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 December 2019

	2019		2018	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		82,331		90,542
Amounts receivable on issue of units	18,603		13,037	
Amounts payable on cancellation of units	(22,657)		(19,295)	
		(4,054)		(6,258)
Dilution adjustment		38		72
Change in net assets attributable to unitholders from investment activities		2,023		(3,147)
Retained distribution on Accumulation units		1,184		1,121
Unclaimed distributions		141		1
Closing net assets attributable to unitholders		81,663		82,331

Balance Sheet

As at 31 December 2019

		2019	2018
	Notes	£000's	£000's
Assets			
Investments		81,578	79,584
Current assets			
Debtors	8	439	641
Cash and bank balances	9	2,273	9,226
Total assets		84,290	89,451
Liabilities			
Investment liabilities		(1,880)	(3,867)
Creditors			
Bank overdrafts	10	(243)	0
Distributions payable		(304)	(174)
Other creditors	11	(200)	(3,079)
Total liabilities		(2,627)	(7,120)
Net assets attributable to unitholders		81,663	82,331

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 Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association 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

Distributions receivable from authorised unit trusts and other collective investment schemes are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex-dividend. Interest receivable from bank balances is accounted for on an accruals basis. Interest receivable from debt securities is accounted for on an effective yield basis.

Equalisation

Equalisation on distributions received by the fund is deducted from the cost of investments. As such the equalisation on distributions received by the fund does not form part of the fund's distributions.

Interest on debt securities bought or sold

Interest on debt securities bought or sold is excluded from the capital cost of securities, and is dealt with as part of the revenue of the fund.

Expenses

All expenses except for professional fee are accounted for on an accruals basis. The Annual management charge has been charged against revenue but ultimately borne by the capital of the fund. All other expenses are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the fund.

Taxation

The fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions made are therefore made as interest distributions.

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. For Accumulation units this revenue is not distributed but automatically reinvested in the fund and is reflected in the value of these units.

Distributions which have remained unclaimed by unitholders for more than six years are credited to the capital property of the fund.

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.

Valuation

All investments held by the Fund have been valued at market value at 18:00 on the last working day of the accounting period. Market value is defined by the Statement of Recommended Practice as fair value which generally is the bid value of each security and the offer value for short positions. All investments are valued net of any accrued interest which is included in the balance sheet as a revenue related item.

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.

Credit default swaps

The upfront fees received on a mark to market basis are split between capital and revenue as appropriate. For sell protections, periodic premiums are accounted for on an accruals basis and are included under Net revenue return from derivative contracts.

Notes to the Accounts (continued)

2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2019 £000's	2018 £000's
Non-derivative securities	2,121	(1,660)
Derivative contracts	(1,668)	1,192
Forward foreign currency contracts	1,874	(2,053)
Foreign currency gains/(losses)	106	(143)
Transaction costs	(27)	(19)
Net capital gains/(losses)	2,406	(2,683)

3 Revenue

	2019 £000's	2018 £000's
Interest distributions	126	115
Interest on debt securities	1,975	2,506
Bank interest	58	36
Net revenue return from derivative contracts	(320)	(1,072)
Total revenue	1,839	1,585

4 Expenses

	2019 £000's	2018 £000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual management charge	383	464
Administration charge	64	76
	447	540
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	8	9
Safe custody fees	1	3
	9	12
Other expenses:		
Audit fee	13	13
Professional fee	2	3
Interest payable	33	11
	48	27
Total expenses	504	579

Notes to the Accounts (continued)

5 Taxation

Corporation tax has not been provided for as expenses and interest distributions payable by the fund exceed the revenue liable to corporation tax.

(a) 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% (2018 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2019 £000's	2018 £000's
Net revenue before taxation	1,335	1,006
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	267	201
Effects of:		
Movement in excess management expenses	(250)	(201)
Interest distributions deductible for tax purposes	(17)	0
Current tax charge for the year	0	0

(b) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £6,558 (2018 – £256,982) 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

The distributions, which are on an effective yield basis, take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	2019 £000's	2018 £000's
Interim Interest distribution	482	631
Monthly Interest distribution	4	0
Monthly Interest distribution	7	0
Monthly Interest distribution	5	0
Monthly Interest distribution	13	0
Monthly Interest distribution	21	0
Final Interest distribution	1,105	817
	1,637	1,448
Add: Revenue deducted on cancellation of units	139	87
Deduct: Revenue received on issue of units	(58)	(65)
Distributions	1,718	1,470
Net revenue after taxation	1,335	1,006
Annual management charge taken to capital	383	464
Distributions	1,718	1,470

Details of the distributions per unit are set out in the Distribution Table on pages 41 to 43.

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	2019		2018	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	4,013	(37)	3,153	(872)
Level 2: Observable market data	77,565	(1,843)	76,431	(2,995)
Level 3: Unobservable data	0	0	0	0
Total	81,578	(1,880)	79,584	(3,867)

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

	2019 £000's	2018 £000's
Amounts receivable for issue of units	31	100
Accrued revenue	408	453
Amounts receivable on derivative contracts	0	88
Total debtors	439	641

9 Cash and bank balances

	2019 £000's	2018 £000's
Cash and bank balances	38	4,482
Amounts held at futures clearing houses and brokers	2,235	4,744
Total cash and bank balances	2,273	9,226

10 Bank overdrafts

	2019 £000's	2018 £000's
Bank overdrafts	9	0
Amounts overdrawn at futures clearing houses and brokers	234	0
Total bank overdrafts	243	0

Notes to the Accounts (continued)

11 Other creditors

	2019 £000's	2018 £000's
Amounts payable for cancellation of units	146	35
Purchases awaiting settlement	0	2,894
Amounts payable on derivative contracts	0	81
Accrued expenses	54	69
Total other creditors	200	3,079

12 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2018 – Nil).

13 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 paid 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 included 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 27.30% (2018 – 12.69%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £126,317 (2018 – £115,014) is included under Revenue in the Notes to the Accounts.

14 Unit classes

The fund currently has eight unit classes. 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:

A Income units	0.90%
A Accumulation units	0.90%
L Income units	0.40%
L Accumulation units	0.40%
X Income units	0.00%
X Income (Monthly) units	0.00%
Z Income units	0.50%
Z Accumulation units	0.50%

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 Table on pages 10 to 13. The distributions per unit class are given in the Distribution Table on pages 41 to 43. All classes have the same rights on winding up.

15 Derivative and other financial instruments

The main risks arising from the fund's financial instruments are market price, derivative, foreign currency, liquidity, credit 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 Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Derivative risk

Where a fund trades in derivatives to achieve its investment objective, this involves a higher degree of risk and may lead to a higher volatility in the unit prices of the fund. The Manager employs a risk management process to allow the Manager to measure derivative and forward positions and their contribution to the overall risk profile of the fund. As part of this risk management process the Manager conducts daily value at risk analysis of the fund and performs both stress and back testing of the fund.

Notes to the Accounts (continued)

Foreign currency risk

Where a portion of the net assets of the fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the fund's exposure to currency risk is reduced.

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.

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 Collective Investment Schemes sourcebook.

Credit risk

Certain transactions in securities that the fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the fund has fulfilled its responsibilities. The fund only buys and sells investments through brokers which have been approved by the Manager as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the fund's investment holdings will fluctuate as a result of changes in interest rates.

The fund may invest in fixed and floating rate securities. The revenue of the fund may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future. Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average rate. Sterling denominated floating rate bonds, foreign currency bank balances, bank overdrafts and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on the London Interbank Offer Rate or its international equivalent. Euro denominated floating rate notes bear interest at rates based on Euro Interbank Offer Rate. US dollar denominated floating rate notes bear interest at rates based on US London Interbank Offer Rate.

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.

Derivatives

During the year the fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

Global risk exposure

Absolute VaR approach

The approach used for the funds managed with an absolute return target, an absolute volatility limit or a target of outperforming an interest rate benchmark.

Regulatory VaR limit utilisation

	2019			2018		
	Lowest	Highest	Average	Lowest	Highest	Average
	5.00%	10.00%	5.10%	4.20%	11.90%	7.19%

Information on VaR model

Model type	Length of data history	2019		Length of data history	2018	
		Confidence interval	Holding period		Confidence level	Holding period
Monte Carlo simulation	All available history	99%	20 days	All available history	99%	20 days

Notes to the Accounts (continued)

Leverage

Information on the limit usage and level of leverage

The level of leverage is an indication of the derivative usage and of any leverage generated by the reinvestment of cash received as collateral when using efficient portfolio management techniques. It does not take into account other physical assets directly held in the portfolio of the fund. The figure is not representative of the maximum amount that a fund could lose, as it includes the derivatives used to protect the Net Asset Value of a fund as well as the derivatives backed by risk free assets and derivatives which do not generate any incremental exposure, leverage or market risk from an economic perspective. The reported leverage figure is therefore not a true representation of the economic leverage¹ in the fund.

The level of leverage disclosed is based on the total notional value² of all derivative instruments held by a fund and is expressed as a percentage of the fund's Net Asset Value. For the purpose of this calculation the holdings and offset derivative positions (long and short positions) do not cancel each other out and the figure is a sum of the total holdings.

Leverage

2019				2018			
Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
256.00%	730.00%	363.98%	335.00%	336.93%	1112.47%	581.94%	472.36%

- 1 Where economic leverage is the sum of derivative commitments (calculated in line with European Securities and Markets Authority 10/788) and excludes derivatives used within hedging arrangements, derivatives whose commitments is covered by risk free assets and derivatives which are not considered to generate any incremental exposure and leverage or market risk.
- 2 Delta adjusted in line with European Securities and Markets Authority 10/788 when appropriate.

16 Debt security credit analysis

	2019 £000's	2018 £000's
Investment grade securities	65,807	60,094
Below investment grade securities	8,554	13,247
Unrated securities	2,377	3,223
Total debt securities	76,738	76,564

The fund invests in credit default swaps to adjust the credit risk profile of the fund. The notional exposure of these swaps has been included in the above table.

Notes to the Accounts (continued)

17 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.

2019	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	78,774	0	0	78,774	0.00	0.00
Funds	1,807	0	0	1,807	0.00	0.00
	80,581	0	0	80,581		
Sales						
Bonds	80,817	0	0	80,817	0.00	0.00
Funds	637	0	0	637	0.00	0.00
	81,454	0	0	81,454		
Derivative purchases and sales		(1)	0			
Total cost of the fund's average net asset value (%)		0.00	0.00			

The transaction costs on the purchase and sale of investments incurred by the fund during 2018 were immaterial. The total purchases for the year amounted to £119,475,576 and the total sales amounted to £124,605,062.

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.30% (2018 – 0.47%).

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.

18 Units in issue reconciliation

	Number of units in issue 31.12.18	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 31.12.19
A Income units	2,789,081	182,796	(465,922)	(656,454)	1,849,501
A Accumulation units	19,853,565	815,685	(7,927,267)	(878,498)	11,863,485
L Income units	527,178	1,032,102	(188,058)	25,731	1,396,953
L Accumulation units	14,395,894	912,950	(2,406,040)	363,946	13,266,750
X Income units	21,753,583	0	0	0	21,753,583
X Income (Monthly) units	0	23,254,532	0	0	23,254,532
Z Income units	11,395,203	114,690	(3,051,421)	533,475	8,991,947
Z Accumulation units	72,259,885	9,233,936	(21,387,104)	1,265,883	61,372,600

Notes to the Accounts (continued)

19 Counterparty exposure

The types of derivatives held at the balance sheet date were forward foreign currency contracts, credit default swaps, interest rate swaps, inflation linked swaps, option contracts and swaption contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Interest rate swaps £000's	Inflation linked swaps £000's	Option contracts £000's	Swaption contracts £000's	Total £000's
ANZ Banking Group							
2019	(18)	0	0	0	0	0	(18)
2018	(125)	0	0	0	0	0	(125)
Bank of America							
2019	92	0	0	0	0	0	92
2018	(5)	0	0	0	0	0	(5)
Barclays Capital							
2019	(10)	(39)	0	0	0	0	(49)
2018	(447)	(63)	0	0	0	0	(510)
BNP Paribas							
2019	951	(9)	0	0	0	0	942
2018	15	8	0	0	0	0	23
Canadian Imperial Bank of Commerce							
2019	(1)	0	0	0	0	0	(1)
2018	12	0	0	0	0	0	12
Citibank							
2019	85	(9)	0	0	0	0	76
2018	73	(12)	0	0	0	0	61
Deutsche Bank							
2019	31	0	0	0	0	0	31
2018	0	0	0	0	0	0	0
Goldman Sachs							
2019	(24)	0	0	0	0	0	(24)
2018	(21)	0	0	0	0	0	(21)
HSBC							
2019	5	0	0	0	(24)	0	(19)
2018	(20)	0	0	0	0	0	(20)
JPMorgan Chase							
2019	6	0	0	0	0	0	6
2018	141	(13)	0	0	0	0	128

Notes to the Accounts (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Interest rate swaps £000's	Inflation linked swaps £000's	Option contracts £000's	Swaption contracts £000's	Total £000's
Morgan Stanley							
2019	51	(1,026)	0	0	(1)	(198)	(1,174)
2018	(3)	(134)	26	(246)	0	21	(336)
Nomura							
2019	0	0	0	0	0	0	0
2018	1	0	0	0	0	0	1
Royal Bank of Canada							
2019	5	0	0	0	0	0	5
2018	(4)	0	0	0	0	0	(4)
Standard Chartered							
2019	22	0	0	0	0	0	22
2018	136	0	0	0	0	0	136
State Street							
2019	15	0	0	0	0	0	15
2018	(120)	0	0	0	0	0	(120)
UBS							
2019	(29)	0	0	0	52	0	23
2018	(1,246)	0	0	0	0	0	(1,246)

Previously futures contracts were disclosed in the table above. The prior comparative year figures have not been amended.

The collateral pledged by the fund on behalf of the counterparties at the balance sheet date was as follows:

Counterparty	2019 £000's	2018 £000's
Barclays Capital	0	(490)
Citibank	0	(50)
JPMorgan Chase	0	(244)
Morgan Stanley	(1,637)	(833)
UBS	0	(1,800)
Total	(1,637)	(3,417)

The nature of collateral pledged by the fund on behalf of the counterparties at the balance sheet date was as follows:

	2019 £000's	2018 £000's
Cash	(1,637)	(3,417)
Total	(1,637)	(3,417)

Notes to the Accounts (continued)

20 Non-adjusting post balance sheet events

As a result of market movements, since the balance sheet date on 31 December 2019, the price of each unit class has changed as follows:

	Dealing price p per unit as at 31.12.19	Dealing price p per unit as at 17.4.20	% change
A Income	41.75	38.6	(7.54)
A Accumulation	103	96.68	(6.14)
L Income	50.36	46.64	(7.39)
L Accumulation	54.16	50.93	(5.96)
X Income	49.47	45.86	(7.30)
X Income (Monthly)	50.03	46.71	(6.64)
Z Income	49.02	45.38	(7.43)
Z Accumulation	55.99	52.64	(5.98)

Securities Financing Transactions

The fund has not engaged in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, these include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions and Total Return Swaps). Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the accounting year ended 31 December 2019.

Distribution Table

Distribution for the month ended 31 July 2019

Group 1 Units purchased on 1 July 2019

Group 2 Units purchased on or after 1 July 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution paid 30.9.19 p per unit
X Income (Monthly) units			
Group 1	0.2054	–	0.2054
Group 2	0.0451	0.1603	0.2054

Distribution for the month ended 31 August 2019

Group 1 Units purchased prior to 1 August 2019

Group 2 Units purchased on or after 1 August 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution paid 31.10.19 p per unit
X Income (Monthly) units			
Group 1	0.1838	–	0.1838
Group 2	0.1709	0.0129	0.1838

Distribution for the month ended 30 September 2019

Group 1 Units purchased prior to 1 September 2019

Group 2 Units purchased on or after 1 September 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution paid 30.11.19 p per unit
X Income (Monthly) units			
Group 1	0.1093	–	0.1093
Group 2	0.0721	0.0372	0.1093

Distribution for the month ended 31 October 2019

Group 1 Units purchased prior to 1 October 2019

Group 2 Units purchased on or after 1 October 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution paid 31.12.19 p per unit
X Income (Monthly) units			
Group 1	0.0951	–	0.0951
Group 2	0.0729	0.0222	0.0951

Distribution Table (continued)

Distribution for the month ended 30 November 2019

Group 1 Units purchased prior to 1 November 2019

Group 2 Units purchased on or after 1 November 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution paid 31.1.20 p per unit
X Income (Monthly) units			
Group 1	0.0889	–	0.0889
Group 2	0.0425	0.0464	0.0889

Final distribution for the month ended 31 December 2019

Group 1 Units purchased prior to 1 December 2019

Group 2 Units purchased on or after 1 December 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution payable 28.2.20 p per unit
X Income (Monthly) units			
Group 1	0.1024	–	0.1024
Group 2	0.1024	0.0000	0.1024

Distribution Table (continued)

Interim distribution for the six months ended 30 June 2019

Group 1 Units purchased prior to 1 January 2019

Group 2 Units purchased on or after 1 January 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution paid 31.8.19 p per unit	Distribution paid 31.8.18 p per unit
A Income units				
Group 1	0.2814	–	0.2814	0.3103
Group 2	0.0911	0.1903	0.2814	0.3103
A Accumulation units				
Group 1	0.6893	–	0.6893	0.7455
Group 2	0.3065	0.3828	0.6893	0.7455
L Income units				
Group 1	0.3382	–	0.3382	0.3703
Group 2	0.2021	0.1361	0.3382	0.3703
L Accumulation units				
Group 1	0.3612	–	0.3612	0.3879
Group 2	0.1097	0.2515	0.3612	0.3879
X Income units				
Group 1	0.3546	–	0.3546	0.3848
Group 2	0.3546	0.0000	0.3546	0.3848
Z Income units				
Group 1	0.3296	–	0.3296	0.3618
Group 2	0.0664	0.2632	0.3296	0.3618
Z Accumulation units				
Group 1	0.3737	–	0.3737	0.3992
Group 2	0.1647	0.2090	0.3737	0.3992

Distribution Table (continued)

Final distribution for the six months ended 31 December 2019

Group 1 Units purchased prior to 1 July 2019

Group 2 Units purchased on or after 1 July 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution payable 28.2.20 p per unit	Distribution paid 28.2.19 p per unit
A Income units				
Group 1	0.6386	–	0.6386	0.3990
Group 2	0.2065	0.4321	0.6386	0.3990
A Accumulation units				
Group 1	1.5747	–	1.5747	0.9676
Group 2	0.7213	0.8534	1.5747	0.9676
L Income units				
Group 1	0.7692	–	0.7692	0.4780
Group 2	0.2107	0.5585	0.7692	0.4780
L Accumulation units				
Group 1	0.8271	–	0.8271	0.5058
Group 2	0.3488	0.4783	0.8271	0.5058
X Income units				
Group 1	0.7793	–	0.7793	0.4916
Group 2	0.7793	0.0000	0.7793	0.4916
Z Income units				
Group 1	0.7488	–	0.7488	0.4665
Group 2	0.3420	0.4068	0.7488	0.4665
Z Accumulation units				
Group 1	0.8554	–	0.8554	0.5234
Group 2	0.4682	0.3872	0.8554	0.5234

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.

Remuneration

UCITS remuneration disclosures for Schroder Unit Trusts Limited for the year to 31 December 2018

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 68 to 90 of the 2018 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 of Schroder Unit Trusts Limited are individuals whose roles within the Schroders Group can materially affect the risk of Schroder Unit Trusts Limited 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 Material Risk Takers. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of Schroder Unit Trusts Limited 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 2018 the Remuneration Policy was reviewed to ensure compliance with the UCITS/Alternative Investment Fund Managers Directive remuneration requirements and no significant changes were made.

The implementation of the remuneration policy is, at least annually, subject to independent internal review for compliance with the policies and procedures for remuneration adopted by the Board of Schroder Unit Trusts Limited 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, compliance and internal audit matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2018.

- The total amount of remuneration paid by Schroder Unit Trusts Limited to its staff was nil as Schroder Unit Trusts Limited has no employees. Schroder Unit Trusts Limited has two independent Non Executive Directors who receive fees in respect of their role on the Board of Schroder Unit Trusts Limited¹. Employees of other Schroders Group entities who serve as Directors of Schroder Unit Trusts Limited receive no additional fees in respect of their role on the Board of Schroder Unit Trusts Limited.
- The following disclosures relate to UCITS Material Risk Takers of Schroder Unit Trusts Limited. Most of those UCITS Material Risk Takers 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 Assets Under Management as a proportion of the total Assets Under Management within the scope of each role. The aggregate total remuneration paid to the 142 UCITS Material Risk Takers of Schroder Unit Trusts Limited in respect of the financial year ended 31 December 2018, and attributed to Schroder Unit Trusts Limited or the UCITS funds that it manages, is £12.6 million, of which £4.8 million was paid to senior management, £7.3 million was paid to Material Risk Takers deemed to be taking risk on behalf of Schroder Unit Trusts Limited or the UCITS funds that it manages and £0.5 million was paid to Control Function Material Risk Takers.

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

Value Assessment

A statement on the Assessment of Value will be available for all applicable funds managed by Schroders Unit Trusts Limited. This report will be published on the Global Fund Centre at www.Schroders.com within 4 months of the annual 'reference date' 31 December 2019.

¹ The fees are not disclosed due to confidentiality and data protection considerations. The amount is not material to Schroder Unit Trusts Limited.

General Information

Manager

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU

Authorised and regulated by the Financial Conduct Authority

Investment Adviser

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

Registrar

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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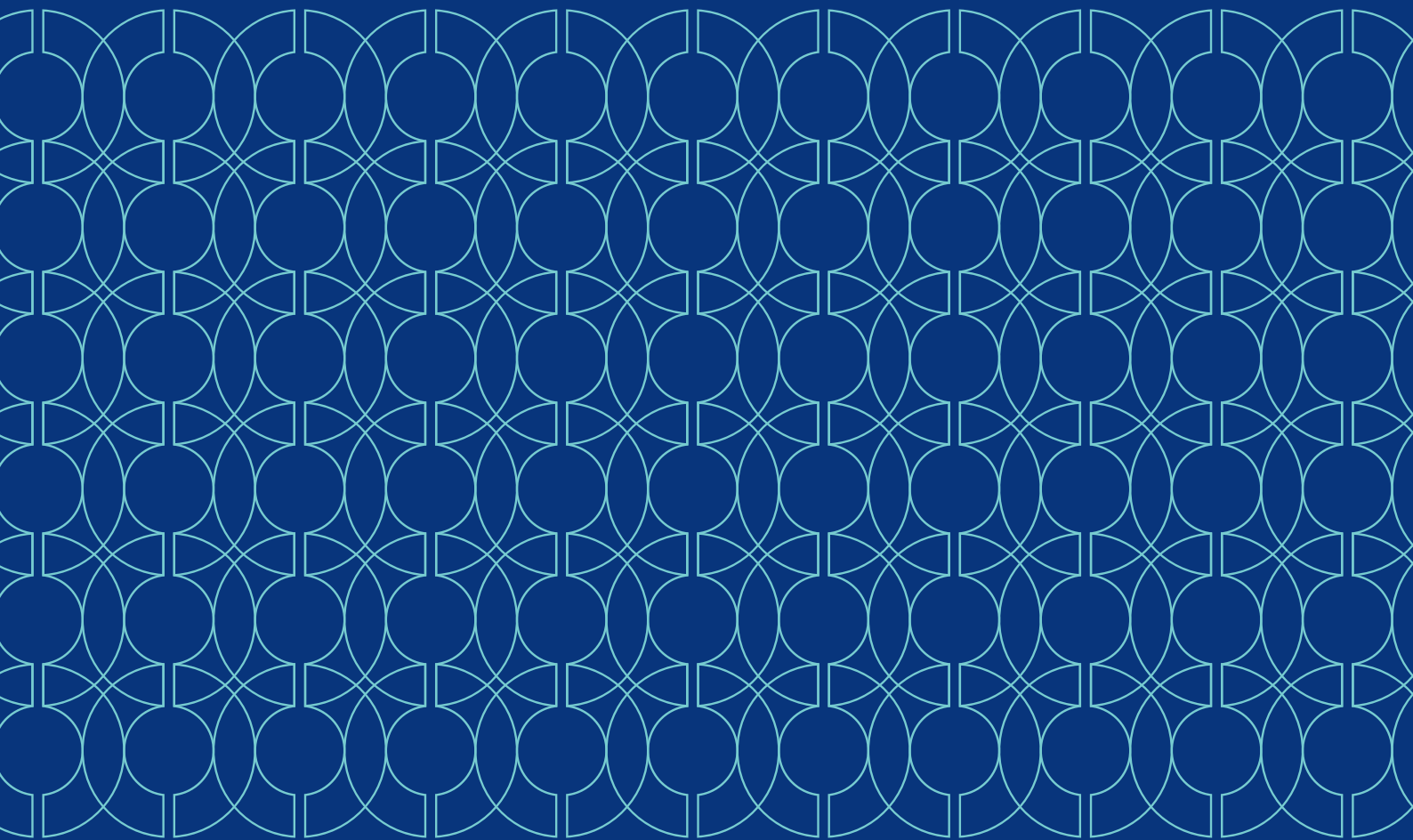
Authorisation

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

Other information

With effect from 3 December 2019 for the Z Income unit and Z Accumulation units the minimum initial investment decreased from £1 million to £0.05 million, the minimum subsequent investment decreased from £0.1 million to £0.01 million and the minimum holding decreased from £1 million to £0.05 million.

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.com.



EST. 1804

 **[schroders.com](https://www.schroders.com)**

 **[@schroders](https://twitter.com/schroders)**

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

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