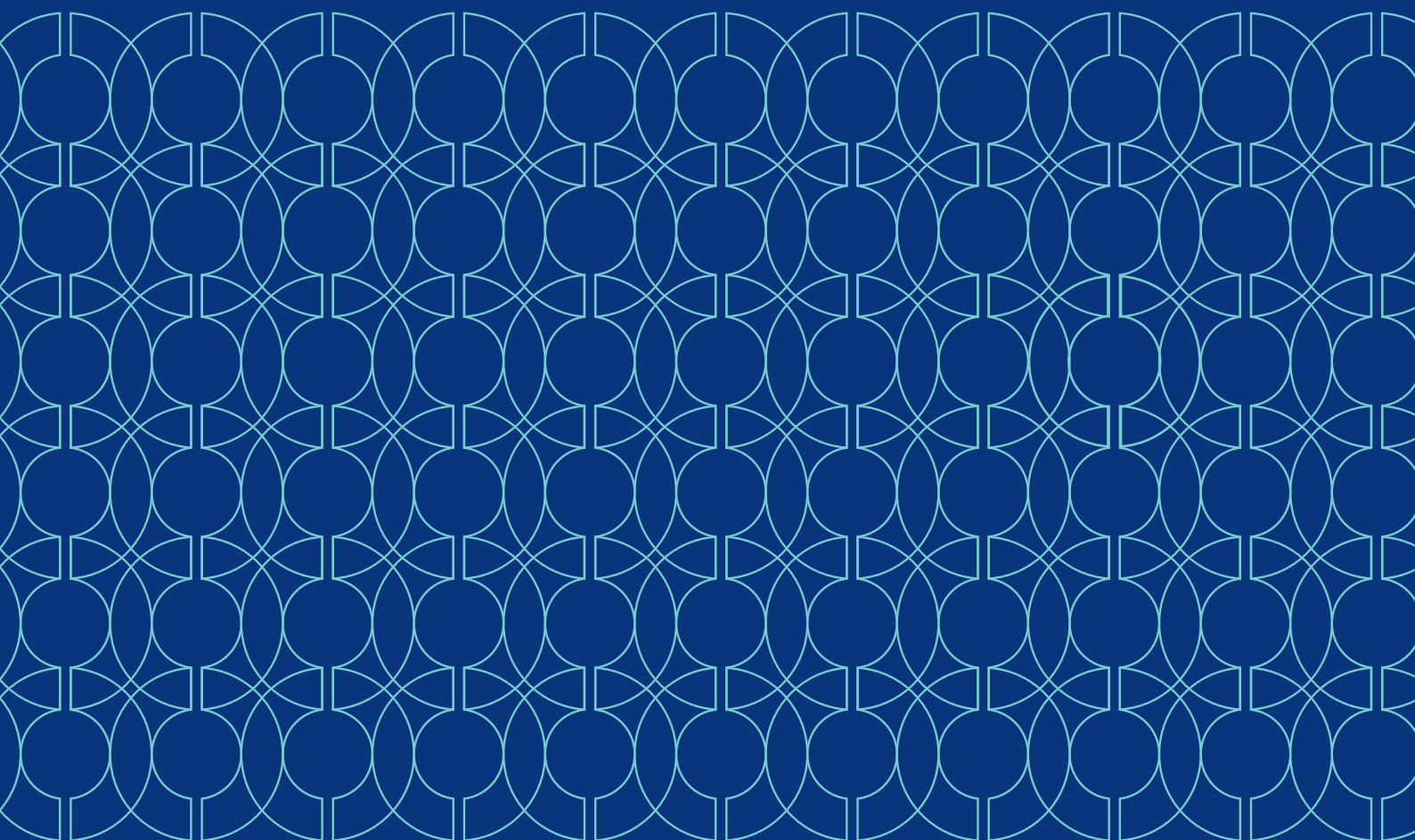


**Schroders**

**Schroder Investment Fund  
Company**

**Interim Report and Accounts**

**June 2020**



## Schroder Investment Fund Company

June 2020

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<sup>1</sup> Collectively these comprise the Manager's report.

# Company Information

## General information

Schroder Investment Fund Company (SIFCo or the Company) is an umbrella company comprising eleven sub funds which have their own investment objectives and policies. As at 30 June 2020 the Company had the following sub funds available:

**Schroder UK Opportunities Fund**  
**Schroder UK Dynamic Smaller Companies Fund**  
**Schroder Sterling Corporate Bond Fund**  
**Schroder European Recovery Fund**  
**Schroder Core UK Equity Fund**  
**Schroder UK Alpha Income Fund**  
**Schroder Strategic Credit Fund**  
**Schroder European Alpha Income Fund**  
**Schroder Global Recovery Fund**  
**Schroder Multi Asset Total Return Fund**  
**Schroder India Equity Fund**

## Principle activities

The Company's principle activity is to carry on business as an Open Ended Investment Company. The Company is structured as an umbrella Company and different sub funds may be established by the Authorised Corporate Director from time to time with the agreement of the Depositary and approval from the Financial Conduct Authority.

The sub funds are operated separately and the assets of each sub fund are managed in accordance with the investment objective and policy applicable to that sub fund.

## Liabilities of the Company

The sub funds are segregated portfolios of assets and, accordingly, the assets of each sub fund belong exclusively to that sub fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other sub fund, and shall not be available for any such purpose. Subject to the above, each sub fund will be charged with the liabilities, expenses, costs and charges attributable to that sub fund and within each sub fund charges will be allocated as far as possible according to the net asset value of that particular share class. Any assets, liabilities, expenses, costs or charges not attributable to a particular sub fund may be allocated by the Authorised Corporate Director in a manner which it believes is fair to the shareholders generally. This will normally be pro rata to the net asset value of the relevant sub funds.

Shareholders are not liable for the debts of the Company.

Shareholders are not liable to make any further payments to the Company after they have paid the purchase price of the share.

## Significant events

With effect from 22 June 2020, Schroder Unit Trust Limited were replaced by HSBC Bank Plc as the Registrar.

# Statement of the Authorised Corporate Director's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Authorised Corporate Director 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 Company and of its net revenue and the net capital losses on the property of the Company for the period. In preparing the accounts the Authorised Corporate Director 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 Company 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 Authorised Corporate Director is responsible for the management of the Company in accordance with The Open Ended Investment Companies Regulations 2001 (SI 2001/1228) ('the OEIC Regulations'), the Company's Instrument of Incorporation, 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 Authorised Corporate Director report and accounts for the period ended 30 June 2020 were signed on 26 August 2020 on behalf of the Authorised Corporate Director by:

**P. Chislett**  
Directors

**S. Reedy**

# Statement of Cross Holdings

As at 30 June 2020 there were no sub fund cross holdings within the Company.

# 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)).

# Accounting policies

The accounting policies applied are consistent with those of the annual accounts for the year ended 31 December 2019 and are described in those annual accounts.



# Schroder UK Opportunities Fund

## Fund Information

### Investment objective and policy

The Schroder UK Opportunities Fund (the 'Fund') aims to achieve capital growth and income in excess of the FTSE All Share Gross Total Return index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The Fund typically holds 30 to 50 companies.

The Fund's approach is grounded in the belief that sentiment drives share prices in the short term, such that companies with strong long-term prospects often become undervalued by the market. The Investment Manager looks to invest in the undervalued companies that have scope for positive change thereby realising the valuation anomaly over the medium to long term.

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

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

### Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK All Companies sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of this benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	15,937	71,531
Total sales	24,579	115,025

## Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Accumulation shares	4,244,164	334.68	439.97
C Income shares	1,141,034	241.13	320.43
C Accumulation shares	1,346,625	375.85	492.55
D Income shares	76,137	38.95	51.77
S Income shares	21,742,265	37.59	49.96
Z Income shares	1,300,221	321.65	427.47
Z Accumulation shares	14,250,588	400.37	524.36

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.

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 23.41%. In the same period, the FTSE<sup>1</sup> All Share Index generated a negative total return of 17.51%<sup>2</sup>.

The coronavirus (Covid-19) pandemic caused an accelerated sell-off in global financial markets in the period. Global equities fell sharply as efforts to deal with the virus, including wide-spread lockdowns on free movement, hit economic activity indiscriminately and simultaneously in all regions of the world. Markets retraced some of the losses as central banks and governments moved quickly to support the global economy with significant levels of additional monetary and fiscal stimulus.

Not owning HSBC was a positive as the shares performed poorly due to heightened geopolitical risks and deteriorating fundamentals. Pharmaceuticals group Sanofi was a top contributor as self-help measures and growth in allergic diseases treatment Dupixent helped drive an inflection in reported earnings growth. Our mining positions outperformed the market, with Anglo American and BHP Group among the top contributors over the period. The sector recovered well, helped by a rebound in Chinese industrial activity on the back of significant stimulus measures and rapidly rising credit growth in China. Our underweight in oil and gas was a positive as the sector outlook deteriorated with lower oil prices creating significant uncertainty.

The fund underperformed, largely as a result of the broad based de-rating of "value" stocks over the period. Conversely, the valuations of many expensive "quality growth" stocks which we don't own, or are underweight in, ground higher, including AstraZeneca and household goods manufacturers Reckitt Benckiser and Unilever (zero exposures). The fund's financial holdings underperformed, particularly the banks. All of the banks suspended outstanding dividends and share buybacks, and said they would not make any such distributions in 2020, in line with guidance from the Prudential Regulation Authority (PRA). Given the Covid-19 situation we believe this is the correct course of action, although the PRA did note the UK banks had sufficiently strong capital positions to withstand a severe UK and global recession, in line with its recent stress test findings. Capita detracted as it became apparent the support service group's transformation programme is taking longer than expected and we exited the holding in the period.

We took advantage of share price weakness to add to a number of holdings with defensive business models where valuations are attractive, including telecoms group BT Group and education company Pearson. We initiated new positions in Vodafone Group, recruitment franchise Hays, housebuilder Bellway, builders merchant Travis Perkins, packaging and paper group Mondi and insurer Hiscox. We reduced a number of positions that have performed very well, including Sanofi, infrastructure specialist Balfour Beatty and GlaxoSmithKline – we believe that the fundamentals of these businesses remains very attractive.

At the sector and stock level the market sell-off is currently presenting significant valuation opportunities for the long-term investor. As active investors, we remain focused on these lowly valued areas where we feel there is potential for positive change in the years ahead.

## Fund Manager:

Alex Breese



Joined Schroders in July 2013 to manage the Schroder UK Equity & ISF UK Equity Funds

Previously Head of UK Equities and Investment Director at Neptune, having joined as an Investment Analyst in May 2005

Became Fund Manager of the Neptune UK Special Situations Fund at the end of 2006, and Assistant Fund Manager of the Neptune Income and Neptune Quarterly Income Funds

Prior to this, Alex gained nearly three years' experience as an engineering consultant

First class honours in Mechanical Engineering, CFA charterholder

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2 Source: Thomson Reuters Datastream.

**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 was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Collective Investment Schemes 0.83% (0.97%)</b>			
<b>Global Equity Funds 0.83% (0.97%)</b>			
Sherborne Investors Guernsey C <sup>s</sup>	2,210,000	760	0.83
		<b>760</b>	<b>0.83</b>
<b>Collective Investment Schemes total</b>			
		<b>760</b>	<b>0.83</b>

<b>Equities 99.15% (97.03%)</b>			
<b>Oil &amp; Gas 6.04% (12.12%)</b>			
BP	1,400,000	4,300	4.70
Royal Dutch Shell B	100,062	1,225	1.34
		<b>5,525</b>	<b>6.04</b>

<b>Basic Materials 11.76% (7.04%)</b>			
Anglo American	247,035	4,618	5.05
BHP Group	278,392	4,605	5.03
Mondi	101,625	1,535	1.68
		<b>10,758</b>	<b>11.76</b>

<b>Industrials 14.13% (14.82%)</b>			
Aggreko	160,005	709	0.77
BAE Systems	517,686	2,503	2.74
Balfour Beatty	858,468	2,237	2.45
Hays	371,824	442	0.48
QinetiQ Group	1,020,000	3,033	3.32
Smiths Group	207,459	2,918	3.19
Travis Perkins	96,000	1,081	1.18
		<b>12,923</b>	<b>14.13</b>

<b>Consumer Goods 8.44% (6.23%)</b>			
Bellway	18,342	467	0.51
British American Tobacco	100,000	3,105	3.40
Imperial Brands	208,672	3,210	3.51

	Holding at 30.6.20	Market Value £000's	% of net assets
Volkswagen Preference	7,523	931	1.02
		<b>7,713</b>	<b>8.44</b>

<b>Health Care 11.91% (10.15%)</b>			
AstraZeneca	18,899	1,591	1.74
GlaxoSmithKline	373,372	6,109	6.68
Sanofi	38,558	3,193	3.49
		<b>10,893</b>	<b>11.91</b>

<b>Consumer Services 18.83% (20.33%)</b>			
Daily Mail & General Trust A	228,765	1,576	1.72
ITV	622,714	465	0.51
Next	37,632	1,842	2.01
Pearson	370,000	2,130	2.33
Tesco	2,360,000	5,383	5.89
Wm Morrison Supermarkets	1,312,011	2,499	2.73
WPP	528,006	3,329	3.64
		<b>17,224</b>	<b>18.83</b>

<b>Telecommunications 4.89% (1.08%)</b>			
BT Group	1,758,657	2,006	2.19
Vodafone Group	1,912,244	2,464	2.70
		<b>4,470</b>	<b>4.89</b>

<b>Financials 23.15% (25.26%)</b>			
Ashmore Group	165,226	689	0.75
Aviva	996,417	2,726	2.98
Barclays	718,630	822	0.90
Hiscox	59,050	466	0.51
Legal & General Group	1,522,000	3,362	3.68
Lloyds Banking Group	7,544,363	2,352	2.57
Provident Financial	540,955	944	1.03
Royal Bank of Scotland Group	1,369,866	1,665	1.82

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
RSA Insurance Group	311,852	1,278	1.40
Standard Chartered	874,353	3,847	4.21
TP ICAP	860,540	3,019	3.30
		<b>21,170</b>	<b>23.15</b>
<b>Equities total</b>		<b>90,676</b>	<b>99.15</b>
Portfolio of investments		<b>91,436</b>	<b>99.98</b>
Net other assets		21	0.02
<b>Net assets attributable to shareholders</b>		<b>91,457</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

§ Closed ended Fund.

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(33,241)		14,357
Revenue	1,947		3,375	
Expenses	(547)		(784)	
Net revenue before taxation	<b>1,400</b>		<b>2,591</b>	
Taxation	0		(8)	
Net revenue after taxation		<b>1,400</b>		<b>2,583</b>
<b>Total return before distributions</b>		<b>(31,841)</b>		<b>16,940</b>
Distributions		(1,400)		(2,586)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(33,241)</b>		<b>14,354</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		136,035 <sup>^</sup>		167,932
Amounts receivable on issue of shares	376		304	
Amounts payable on cancellation of shares	(12,778)		(34,930)	
		<b>(12,402)</b>		<b>(34,626)</b>
Dilution adjustment		3		19
Change in net assets attributable to shareholders from investment activities		(33,241)		14,354
Retained distribution on Accumulation shares		1,061		1,886
Unclaimed distributions		1		1
<b>Closing net assets attributable to shareholders</b>		<b>91,457</b>		<b>149,566<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	91,436	133,318
<b>Current assets</b>		
Debtors	554	268
Cash and bank balances	367	3,140
<b>Total assets</b>	<b>92,357</b>	<b>136,726</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	(240)	(374)
Other creditors	(660)	(317)
<b>Total liabilities</b>	<b>(900)</b>	<b>(691)</b>
<b>Net assets attributable to shareholders</b>	<b>91,457</b>	<b>136,035</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder UK Opportunities Fund are disclosed on page 8.



# Schroder UK Dynamic Smaller Companies Fund

## Fund Information

### Investment objective and policy

The Schroder UK Dynamic Smaller Companies Fund (the 'Fund') aims to provide capital growth in excess of the FTSE Small Cap ex Investment Trust (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized UK companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK and, at the time of purchase, are similar in size to those comprising the bottom 10% by market capitalisation of the UK equities market.

The Fund may also invest in companies headquartered or incorporated outside the UK which derive a significant proportion of their revenues or profits from the UK.

The small cap universe is an extensive, diverse and constantly changing area of the UK market. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger firms.

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

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

### Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE Small Cap ex Investment Trust (Gross Total Return) index, and compared against the Investment Association UK Smaller Companies sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	8,176	34,152
Total sales	36,779	100,217

## Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Accumulation shares	14,634,442	372.69	461.61
C Income shares	502,129	356.69	440.40
C Accumulation shares	789,567	411.92	508.63
S Income shares	9,621,499	62.64	77.28
S Accumulation shares	5,516,631	68.96	84.94
Z Income shares	2,730,490	408.19	503.66
Z Accumulation shares	27,421,184	440.53	543.60

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.

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 18.50%. In the same period, the FTSE<sup>1</sup> Small Cap ex Investment Trust Index generated a negative total return of 20.90%<sup>2</sup>.

The coronavirus (Covid-19) pandemic caused an accelerated sell-off in global financial markets in the period. Global equities fell sharply as efforts to deal with the virus, including wide-spread lockdowns on free movement, hit economic activity indiscriminately and simultaneously in all regions of the world. Markets retraced some of the losses as central banks and governments moved quickly to support the global economy with significant levels of additional monetary and fiscal stimulus.

Our holdings with exposure to online gaming performed well over the period as gaming activity picked up sharply during lockdowns. Our top contributors included game developers Team17 and Codemasters Group Holdings as well as direct carrier billing aggregator Boku, for which gaming is its largest revenue source. Retail derivatives platform provider CMC Markets performed very well as it benefited from the extreme volatility seen over the period. Hobby and crafting business Games Workshop Group was a top contributor as it resumed operations following Covid-19 disruption much faster than expected and confirmed it was on track for another strong year.

Not owning gold miner Petropavlovsk was our single largest detractor as it rose sharply in line with gold prices. Meanwhile, zero exposures to speciality pharmaceutical group Indivior and oil exploration and production businesses Tullow Oil and Premier Oil detracted as they recovered well in line with the sharp recovery in crude oil prices. Not owning Premier Foods also held back returns as it was a beneficiary of increased demand for items for cooking in the home due to Covid-19.

Against a constrained macro-economic backdrop, smaller companies offer great potential for stock picking by providing concentrated access to “super cycle” themes. Economic and market cycles may wax and wane, but technological advances and demographic change will continue to create new markets and opportunities for smaller companies.

## Co-Fund Manager:

**Luke Biermann**



European Smaller Company Fund Manager, based in London

Luke has more than 13 years' experience on the European Smaller Companies team, having joined in 2006. For the majority of this tenure Luke has specialised on Continental Europe

CFA Charterholder

Investment Management Certificate (IMC)

First-class BSc (Hons) in Computer Science, University of Bath

## Co-Fund Manager:

**Iain Staples**



Joined Schroders in 2012 from Altium, the UK mid-cap broker, where he led the UK Generalist equity research product

Previously worked on the sell-side for 15 years' having co-founded Clear Capital, the independent equity research house

Broking career commenced in 1999 at Hoare Govett in the technology team

Iain started his career at L.E.K. Consulting, the global management consulting firm, in 1995

MA in Mathematics, Cambridge University and MSc in Theoretical Physics, Manchester University

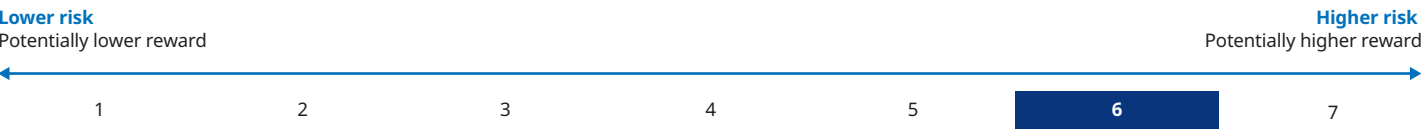
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<sup>2</sup> Source: Thomson Reuters Datastream.

**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 was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 98.70% (99.14%)</b>			
<b>Oil &amp; Gas 1.46% (1.33%)</b>			
Tekmar Group <sup>#</sup>	2,670,318	2,937	1.46
		<b>2,937</b>	<b>1.46</b>
<b>Basic Materials 2.33% (1.87%)</b>			
Treant	957,408	4,701	2.33
		<b>4,701</b>	<b>2.33</b>
<b>Industrials 43.38% (44.30%)</b>			
Alpha Financial Markets Consulting <sup>#</sup>	2,589,678	4,661	2.32
Augean <sup>#</sup>	4,471,409	8,048	4.00
Boku <sup>#</sup>	9,024,640	8,664	4.30
DiscoverIE Group	714,770	3,660	1.82
Electrocomponents	209,092	1,402	0.70
Eurocell	2,430,138	3,888	1.93
Gooch & Housego <sup>#</sup>	399,665	4,516	2.24
IWG	1,316,880	3,490	1.73
Johnson Service Group <sup>#</sup>	3,558,231	4,113	2.04
Macfarlane Group	1,674,670	1,172	0.58
Midwich Group <sup>#</sup>	1,154,509	4,549	2.26
Oxford Instruments	56,098	802	0.40
Polypipe Group	239,557	1,036	0.52
Renew Holdings <sup>#</sup>	1,684,641	7,463	3.71
Renold <sup>#</sup>	8,318,070	832	0.41
Robert Walters	630,972	2,524	1.25
Simplybiz Group <sup>#</sup>	1,409,074	2,142	1.06
Speedy Hire	2,866,817	1,617	0.80
Strix Group <sup>#</sup>	1,922,053	3,686	1.83
Thruvision Group <sup>#</sup>	10,212,761	2,573	1.28
Vitec Group	138,439	936	0.47
Vp	1,057,131	7,506	3.73
Wincanton	1,262,025	2,335	1.16
Xaar	1,145,104	630	0.31

	Holding at 30.6.20	Market Value £000's	% of net assets
XP Power	145,590	5,096	2.53
		<b>87,341</b>	<b>43.38</b>
<b>Consumer Goods 19.07% (15.02%)</b>			
Codemasters Group Holdings <sup>#</sup>	2,153,696	7,323	3.64
Games Workshop Group	97,506	7,815	3.88
IG Design Group <sup>#</sup>	1,056,625	5,304	2.63
Mar City <sup>^</sup>	12,242,500	0	0.00
Nichols <sup>#</sup>	168,644	2,150	1.07
Team17 Group <sup>#</sup>	1,556,744	8,406	4.17
Walker Greenbank <sup>#</sup>	4,801,351	1,921	0.95
Warpaint London <sup>#</sup>	1,082,937	736	0.37
Watkin Jones <sup>#</sup>	2,556,579	3,850	1.91
Wynnstay Group <sup>#</sup>	321,660	901	0.45
		<b>38,406</b>	<b>19.07</b>
<b>Health Care 1.56% (3.24%)</b>			
Sensyne Health <sup>#</sup>	1,759,428	616	0.31
Spire Healthcare Group	2,969,307	2,524	1.25
		<b>3,140</b>	<b>1.56</b>
<b>Consumer Services 12.52% (13.59%)</b>			
4imprint Group	49,149	1,211	0.60
Everyman Media Group <sup>#</sup>	3,816,856	4,580	2.27
Hollywood Bowl Group	1,931,091	2,935	1.46
Loungers <sup>#</sup>	1,780,886	2,262	1.12
Marshall Motor Holdings <sup>#</sup>	3,037,402	3,493	1.74
On the Beach Group	734,304	2,163	1.07
Quiz <sup>#</sup>	1,774,198	89	0.04
TEN Entertainment Group	1,825,357	2,921	1.45
Wizz Air Holdings	49,309	1,643	0.82
XLMedia <sup>#</sup>	3,579,386	841	0.42

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Young & Co's Brewery <sup>#</sup>	278,672	2,048	1.02
Young & Co's Brewery A <sup>#</sup>	100,935	1,019	0.51
		<b>25,205</b>	<b>12.52</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
Portfolio of investments		<b>198,741</b>	<b>98.70</b>
Net other assets		2,617	1.30
<b>Net assets attributable to shareholders</b>		<b>201,358</b>	<b>100.00</b>

## Telecommunications 0.51% (0.00%)

Gamma Communications <sup>#</sup>	80,260	1,031	0.51
		<b>1,031</b>	<b>0.51</b>

## Utilities 0.00% (0.30%)

## Financials 5.39% (8.40%)

Brooks Macdonald Group <sup>#</sup>	160,219	2,564	1.27
CMC Markets	1,037,840	2,750	1.37
Distribution Finance Capital Holdings <sup>#</sup>	2,411,111	844	0.42
Record	2,581,049	994	0.49
Secure Income REIT <sup>#</sup>	1,310,501	3,525	1.75
Trufin <sup>#</sup>	1,068,027	171	0.09
		<b>10,848</b>	<b>5.39</b>

## Technology 12.48% (11.09%)

Blackbird <sup>#</sup>	22,796,786	4,673	2.32
CML Microsystems	783,592	1,928	0.96
dotdigital group <sup>#</sup>	4,414,588	4,503	2.24
NCC Group	2,818,752	5,001	2.48
Quartix Holdings <sup>#</sup>	772,898	2,427	1.21
Quixant <sup>#</sup>	3,137,110	3,545	1.76
Tracsis <sup>#</sup>	264,393	1,639	0.81
Zoo Digital Group <sup>#</sup>	2,052,249	1,416	0.70
		<b>25,132</b>	<b>12.48</b>

<b>Equities total</b>		<b>198,741</b>	<b>98.70</b>
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The comparative percentage figures in brackets are as at 31 December 2019.

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

<sup>#</sup> Security traded on another regulated market.

<sup>^</sup> Unlisted, suspended or delisted security.

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(53,548)		25,077
Revenue	1,024		4,164	
Expenses	(1,258)		(1,645)	
Net (expense)/revenue before taxation	(234)		2,519	
Taxation	0		0	
Net (expense)/revenue after taxation		(234)		2,519
<b>Total return before distributions</b>		<b>(53,782)</b>		<b>27,596</b>
Distributions		(42)		(2,534)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(53,824)</b>		<b>25,062</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		283,324 <sup>^</sup>		296,590
Amounts receivable on issue of shares	3,063		458	
Amounts payable on cancellation of shares	(31,280)		(40,454)	
		<b>(28,217)</b>		<b>(39,996)</b>
Dilution adjustment		68		41
Change in net assets attributable to shareholders from investment activities		(53,824)		25,062
Retained distribution on Accumulation shares		7		2,124
<b>Closing net assets attributable to shareholders</b>		<b>201,358</b>		<b>283,821<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	198,741	280,889
<b>Current assets</b>		
Debtors	610	588
Cash and bank balances	3,356	2,475
<b>Total assets</b>	<b>202,707</b>	<b>283,952</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	(10)	(140)
Other creditors	(1,339)	(488)
<b>Total liabilities</b>	<b>(1,349)</b>	<b>(628)</b>
<b>Net assets attributable to shareholders</b>	<b>201,358</b>	<b>283,324</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder UK Dynamic Smaller Companies Fund are disclosed on page 8.



# Schroder Sterling Corporate Bond Fund

## Fund Information

### Investment objective and policy

The Schroder Sterling Corporate Bond Fund (the 'Fund') aims to provide income and capital growth in excess of the Bank of America Merrill Lynch Sterling Corporate & Collateralised (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by UK companies and companies worldwide.

The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) and issued by UK companies and companies worldwide.

The Fund may also invest in fixed and floating rate securities issued by governments, government agencies, and supra-nationals.

The Fund may invest up to 20% of its assets in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), 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 (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus). The Fund may use leverage and take short positions.

### Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the Bank of America Merrill Lynch Sterling Corporate & Collateralised (Gross Total Return) index, and compared against the Investment Association Sterling Corporate Bond sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
<b>Total purchases</b>	904,986	474,493
<b>Total sales</b>	506,887	293,873

# Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Income shares	22,168,714	65.57	65.32
A Accumulation shares	41,007,181	85.03	83.07
C Income shares	13,278,958	65.39	65.02
C Accumulation shares	4,450,815	163.93	159.86
Q Income shares	92,654,646	50.59	50.22
Q Accumulation shares	2,000	52.36	50.00 <sup>1</sup>
S Income shares	413,811,109	58.43	58.01
S Accumulation shares	6,769,149	175.83	171.18
Z Income shares	238,817,040	127.82	127.02
Z Accumulation shares	151,871,128	174.94	170.49

<sup>1</sup> Q Accumulation shares launched on 18 May 2020.

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# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis rose 3.33%. In comparison, the Bank of America Merrill Lynch Sterling Corporate & Collateralised Index generated a total return of 3.18%<sup>1</sup>.

Although sterling corporate bonds performed well over the period, we had not anticipated the extent of the global pandemic early in the year. Risk assets sold off heavily in late-February and March amid rising fears over the Covid-19 pandemic and the likelihood of a deep global recession resulting from regional lockdowns, which seriously depressed economic activity. This resulted in sharp declines and extreme daily swings in risk assets on a scale not seen since the previous crises of 2008, 2011, and 2016. We saw a forceful rebound in the second quarter, as the rate of new Covid-19 cases started to slow and many countries began easing lockdown measures. Markets also welcomed affirmation from central banks and governments to support economies and markets through asset purchases and fiscal policy support.

The fund underperformed over the first quarter despite the fact that we had materially de-risked over the past nine months. Whilst the fund was underweight cyclicals overall, modest exposure to the oil and gas sector detracted. In addition, a few individual holdings were hard-hit by the implication of coronavirus. The fund turned bullish in March as volatility and market liquidity created opportunities and we used our ample cash cushion to invest in a range of attractive opportunities. This allowed the fund to benefit from the significant rebound over Q2. We had focused primarily on “virus resilient” sectors, including healthcare, supermarkets, telecommunications and tobacco. As these sectors rallied strongly in the second quarter, the fund rotated towards opportunities with a better risk-return profile, including defensive real estate, quality cyclicals and attractively yielding virus-resistant sectors.

The extent of the policy response is extraordinary, with the Federal Reserve buying high yield bonds and the Bank of England lending money directly to the government. The implications of these actions will ripple through financial markets and the real economy for many years to come, in the near-term by buoying asset prices and lowering default rates compared to historical recessions. The effect of the recent rally and subsequent lower absolute yields is that long term expected returns are now low, however there remains ample idiosyncratic opportunities within the market for the fund to exploit.

**Fund Manager:**  
**Jonathan Golan**



Jonathan Golan is a Fund Manager at Schroders, which involves helping manage the European Credit Fixed Income strategy. He joined Schroders in 2013 and is based in London. Jonathan was Fixed Income Analyst at Schroders from 2013 to 2015, responsible for European Credit Fixed Income

Qualifications: MSc in Financial Economics from Oxford University; BA in Economics from The Hebrew University

<sup>1</sup> Source: Thomson Reuters Datastream.

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# Risk Profile

## Risk and reward indicator



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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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 0.98% (1.59%)</b>			
<b>United States of America 0.98% (1.59%)</b>			
Energy Transfer Operating Preference FRN 7.6%	551,895	9,170	0.98
		<b>9,170</b>	<b>0.98</b>
<b>Equities total</b>			
		<b>9,170</b>	<b>0.98</b>

<b>Government Bonds 2.53% (5.53%)</b>			
<b>Mexico 0.16% (0.30%)</b>			
Mexico Government Bond 5.625% 19/03/2114	1,480,000	1,490	0.16
		<b>1,490</b>	<b>0.16</b>

<b>United Kingdom 2.37% (5.23%)</b>			
UK Treasury 0.375% 22/10/2030	6,999,956	7,118	0.76
UK Treasury 4.25% 07/12/2040	2,282,300	3,892	0.42
UK Treasury 3.25% 22/01/2044	3,823,015	6,005	0.64
UK Treasury 1.5% 22/07/2047	4,258,294	5,175	0.55
		<b>22,190</b>	<b>2.37</b>

<b>Government Bonds total</b>		<b>23,680</b>	<b>2.53</b>
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<b>Corporate Bonds 89.58% (83.37%)</b>			
<b>Belgium 1.00% (0.00%)</b>			
Anheuser-Busch InBev 3.7% 02/04/2040	8,458,000	9,365	1.00
		<b>9,365</b>	<b>1.00</b>

<b>Bermuda 0.74% (0.33%)</b>			
NCL 12.25% 15/05/2024	3,037,000	2,589	0.27

	Holding at 30.6.20	Market Value £000's	% of net assets
Hiscox FRN 6.125% 24/11/2045	4,187,000	4,380	0.47
		<b>6,969</b>	<b>0.74</b>

<b>Brazil 0.23% (0.36%)</b>			
Prumo Participacoes e Investimentos 7.5% 31/12/2031	2,641,391	2,153	0.23
		<b>2,153</b>	<b>0.23</b>

<b>Cayman Islands 0.66% (1.03%)</b>			
Park Aerospace Holdings 5.5% 15/02/2024	1,082,000	807	0.09
Avolon Holdings Funding 4.375% 01/05/2026	1,813,000	1,242	0.13
Avolon Holdings Funding 3.25% 15/02/2027	706,000	465	0.05
Southern Water S ervices Finance 3% 28/05/2037	3,548,000	3,652	0.39
		<b>6,166</b>	<b>0.66</b>

<b>Chile 1.41% (0.00%)</b>			
Engie Energia Chile 3.4% 28/01/2030	12,050,000	10,228	1.09
Colbun 3.15% 06/03/2030	1,100,000	906	0.10
Corp. Nacional del Cobre de Chile 3.75% 15/01/2031	2,370,000	2,101	0.22
		<b>13,235</b>	<b>1.41</b>

<b>Czech Republic 0.21% (0.77%)</b>			
EP Infrastructure 2.045% 09/10/2028	2,229,000	1,969	0.21
		<b>1,969</b>	<b>0.21</b>

<b>Denmark 0.55% (0.66%)</b>			
Danske Bank FRN 2.25% 14/01/2028	5,096,000	5,121	0.55
		<b>5,121</b>	<b>0.55</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>France 4.44% (2.81%)</b>			
RCI Banque 1.875% 08/11/2022	5,000,000	4,927	0.53
La Financiere Atalian 4% 15/05/2024	600,000	408	0.04
La Financiere Atalian 6.625% 15/05/2025	2,987,000	2,231	0.24
Electricite de France 4.5% 21/09/2028	471,000	447	0.05
WPP Finance 3.75% 19/05/2032	7,400,000	7,694	0.82
Electricite de France 5.5% 17/10/2041	2,600,000	3,815	0.41
Electricite de France 4.5% 04/12/2069	4,800,000	4,187	0.45
Electricite de France 6% 23/01/2114	1,500,000	2,516	0.27
AXA FRN 5.453% Perpetual	522,000	577	0.06
Electricite de France FRN 6% Perpetual	4,700,000	4,950	0.53
Electricite de France FRN 5.875% Perpetual	8,000,000	8,283	0.88
Orange FRN 5.75% Perpetual	1,437,000	1,554	0.16
		<b>41,589</b>	<b>4.44</b>
<b>Germany 0.43% (0.00%)</b>			
EnBW Energie Baden-Wuerttemberg FRN 5.125% 05/04/2077	4,812,000	4,037	0.43
		<b>4,037</b>	<b>0.43</b>
<b>Guernsey 0.61% (0.58%)</b>			
Summit Properties 2% 31/01/2025	6,854,000	5,711	0.61
		<b>5,711</b>	<b>0.61</b>
<b>Iceland 0.00% (0.90%)</b>			
<b>Ireland 3.16% (3.40%)</b>			
Ryanair 1.125% 10/03/2023	2,500,000	2,129	0.23

	Holding at 30.6.20	Market Value £000's	% of net assets
Perrigo Finance 3.9% 15/12/2024	1,000,000	867	0.09
Perrigo Finance 4.375% 15/03/2026	8,200,000	7,288	0.78
Roadster Finance 1.625% 09/12/2029	3,050,000	2,762	0.30
Perrigo Finance 3.15% 15/06/2030	5,000,000	4,119	0.44
Roadster Finance 2.375% 08/12/2032	4,038,000	3,601	0.38
Perrigo Finance 4.9% 15/12/2044	5,413,000	4,702	0.50
Aryzta Euro Finance FRN 4.5% Perpetual	5,546,000	4,155	0.44
		<b>29,623</b>	<b>3.16</b>
<b>Italy 1.88% (1.82%)</b>			
FCA Bank 1.625% 29/09/2021	4,146,000	4,104	0.44
UniCredit 6.572% 14/01/2022	1,400,000	1,205	0.13
UniCredit FRN 5.211% 14/01/2022	4,049,000	3,333	0.36
Autostrade per l'Italia 6.25% 09/06/2022	8,211,000	8,242	0.88
Superstrada Pedemontana Veneta, STEP 0% 30/06/2047	800,000	691	0.07
		<b>17,575</b>	<b>1.88</b>
<b>Japan 0.58% (0.00%)</b>			
Takeda Pharmaceutical 2% 09/07/2040	5,969,000	5,431	0.58
		<b>5,431</b>	<b>0.58</b>
<b>Jersey 2.58% (1.44%)</b>			
Porterbrook Rail Finance 6.5% 20/10/2020	250,000	253	0.03
Galaxy Finco 9.25% 31/07/2027	6,000,000	5,730	0.61
Gatwick Funding 3.125% 28/09/2041	1,430,000	1,400	0.15

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
AA Bond 6.269% 02/07/2043	7,952,000	8,024	0.86
AA Bond 4.875% 31/07/2043	1,858,000	1,809	0.19
Gatwick Funding 2.625% 07/10/2048	1,008,000	882	0.09
AA Bond 5.5% 31/07/2050	2,000,000	1,937	0.21
Gatwick Funding 2.875% 05/07/2051	4,520,000	4,149	0.44
		<b>24,184</b>	<b>2.58</b>

## Liberia 0.27% (0.00%)

Royal Caribbean Cruises 10.875% 01/06/2023	1,559,000	1,306	0.14
Royal Caribbean Cruises 9.125% 15/06/2023	1,530,000	1,236	0.13
		<b>2,542</b>	<b>0.27</b>

## Luxembourg 4.31% (3.44%)

Amigo Luxembourg 7.625% 15/01/2024	2,000,000	940	0.10
Gazprom 4.25% 06/04/2024	647,000	680	0.07
SELP Finance REIT 1.5% 20/12/2026	1,198,000	1,072	0.12
CPI Property Group 2.75% 22/01/2028	13,249,000	12,393	1.32
Blackstone Property Partners Europe Holdings 1.75% 12/03/2029	7,745,000	6,987	0.75
Logicor Financing 2.75% 15/01/2030	18,147,000	17,634	1.88
Eurofins Scientific FRN 2.875% Perpetual	770,000	682	0.07
		<b>40,388</b>	<b>4.31</b>

## Mexico 0.22% (1.14%)

Petroleos Mexicanos 3.75% 16/11/2025	2,500,000	2,111	0.22
		<b>2,111</b>	<b>0.22</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Netherlands 0.59% (3.46%)</b>			
NIBC Bank 3.125% 15/11/2023	2,700,000	2,777	0.30
Koninklijke KPN 5% 18/11/2026	2,370,000	2,768	0.29
		<b>5,545</b>	<b>0.59</b>

## Poland 0.52% (0.00%)

mBank 1.058% 05/09/2022	5,464,000	4,918	0.52
		<b>4,918</b>	<b>0.52</b>

## Spain 0.95% (0.86%)

Abertis Infraestructuras 3.375% 27/11/2026	8,600,000	8,890	0.95
		<b>8,890</b>	<b>0.95</b>

## Sweden 1.33% (0.40%)

Heimstaden Bostad 2.125% 05/09/2023	2,257,000	2,108	0.23
Castellum 0.75% 04/09/2026	8,600,000	7,345	0.78
Sagax 1.125% 30/01/2027	3,550,000	2,991	0.32
		<b>12,444</b>	<b>1.33</b>

## Switzerland 0.34% (0.64%)

Aryzta FRN 0% Perpetual	6,530,000	3,163	0.34
		<b>3,163</b>	<b>0.34</b>

## United Kingdom 54.64% (52.99%)

Skipton Building Society 1.75% 30/06/2022	814,000	824	0.09
G4S International Finance 1.5% 09/01/2023	9,821,000	8,891	0.95
Intermediate Capital Group 5% 24/03/2023	955,000	980	0.10

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Anglian Water Osprey Financing 5% 30/04/2023	1,439,000	1,462	0.16
Provident Financial 8.25% 04/06/2023	8,825,000	8,101	0.86
Lloyds Bank Corporate Markets 1.5% 23/06/2023	6,906,000	6,942	0.74
HSBC Holdings FRN 2.175% 27/06/2023	1,005,000	1,015	0.11
Bracken MidCo1 8.875% 15/10/2023	5,272,780	4,403	0.47
EnQuest FRN 7% 15/10/2023	2,424,358	1,189	0.13
National Express Group 2.5% 11/11/2023	500,000	497	0.05
Jerrold Finco 6.125% 15/01/2024	4,241,000	4,060	0.43
Barclays 3.125% 17/01/2024	1,300,000	1,351	0.14
Saga 3.375% 12/05/2024	6,315,000	4,811	0.51
Ithaca Energy North Sea 9.375% 15/07/2024	10,630,000	6,953	0.74
Just Group 3.5% 07/02/2025	4,000,000	3,459	0.37
Virgin Money UK FRN 3.125% 22/06/2025	7,103,000	6,958	0.74
Tesco Personal Finance Group 3.5% 25/07/2025	5,986,000	6,252	0.67
Next Group 3% 26/08/2025	3,011,000	3,005	0.32
Whitbread Group 3.375% 16/10/2025	8,900,000	8,815	0.94
eG Global Finance 6.25% 30/10/2025	3,000,000	2,658	0.28
Phoenix Group Holdings 6.625% 18/12/2025	4,612,000	5,298	0.57
Jerrold Finco 4.875% 15/01/2026	7,755,000	7,059	0.75
Virgin Money UK FRN 5% 09/02/2026	1,014,000	983	0.10

	Holding at 30.6.20	Market Value £000's	% of net assets
Yorkshire Building Society 3.5% 21/04/2026	4,073,000	4,529	0.48
Virgin Money UK FRN 3.375% 24/04/2026	7,927,000	7,805	0.83
TSB Banking Group FRN 5.75% 06/05/2026	2,199,000	2,195	0.23
Barclays 3% 0 8/05/2026	4,594,000	4,793	0.51
Informa 3.125% 05/07/2026	250,000	253	0.03
Virgin Money UK FRN 4% 25/09/2026	2,300,000	2,333	0.25
ITV 1.375% 26/09/2026	9,100,000	7,996	0.85
Western Power Distribution 3.5% 16/10/2026	8,979,000	9,697	1.03
HSBC Holdings FRN 2.256% 13/11/2026	1,299,000	1,318	0.14
BUPA Finance 5% 08/12/2026	1,859,000	2,041	0.22
Intermediate Capital Group 1.625% 17/02/2027	14,318,000	11,813	1.26
Royal Bank of Scotland Group FRN 3.125% 28/03/2027	7,679,000	8,054	0.86
Virgin Money UK FRN 4% 03/09/2027	2,151,000	2,168	0.23
Anglo American Capital 4% 11/09/2027	4,115,000	3,586	0.38
Sainsbury's Bank FRN 6% 23/11/2027	9,063,000	9,108	0.97
London & Quadrant Housing Trust 2.625% 28/02/2028	1,476,000	1,572	0.17
Quilter FRN 4.478% 28/02/2028	11,912,000	11,897	1.27
Intu SGS Finance REIT 3.875% 17/03/2028	2,767,000	1,506	0.16
Informa 1.25% 22/04/2028	12,665,000	10,503	1.12



# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Grainger 3.375% 24/04/2028	13,773,000	14,465	1.54
Next Group 3.625% 18/05/2028	10,156,000	10,101	1.08
BAT International Finance 2.25% 26/06/2028	8,768,000	8,710	0.93
Metro Bank FRN 5.5% 26/06/2028	4,719,000	2,542	0.27
Assura Financing REIT 3% 19/07/2028	2,788,000	3,025	0.32
UNITE Group REIT 3.5% 15/10/2028	5,539,000	5,698	0.61
RI Finance Bonds No. 3 6.125% 13/11/2028	3,084,000	3,627	0.39
National Express Group 2.375% 20/11/2028	2,708,000	2,586	0.28
Notting Hill Genesis 2.875% 31/01/2029	4,118,000	4,466	0.48
Reassure Group 5.867% 13/06/2029	6,700,000	7,168	0.77
Quadgas Finance 3.375% 17/09/2029	1,290,000	1,351	0.14
Just Group 8.125% 26/10/2029	5,286,000	5,364	0.57
Liberty Living Finance 3.375% 28/11/2029	3,692,000	3,656	0.39
HSBC Holdings FRN 3% 29/05/2030	1,500,000	1,586	0.17
Pearson Funding 3.75% 04/06/2030	11,034,000	11,657	1.24
Grainger 3% 03/07/2030	6,914,000	6,938	0.74
Royal Bank of Scotland Group FRN 3.622% 1 4/08/2030	4,803,000	4,920	0.53
Pension Insurance 5.625% 20/09/2030	1,200,000	1,365	0.15
Mitchells & Butlers Finance 6.013% 15/12/2030	3,586,264	3,812	0.41
Phoenix Group Holdings 5.625% 28/04/2031	3,452,000	3,703	0.40

	Holding at 30.6.20	Market Value £000's	% of net assets
Pension Insurance 4.625% 07/05/2031	3,300,000	3,431	0.37
Direct Line Insurance Group 4% 05/06/2032	3,113,000	3,197	0.34
Notting Hill Genesis 3.75% 20/12/2032	2,370,000	2,803	0.30
Telereal Securitisation 5.553% 10/12/2033	70,728	86	0.01
Telereal Securitisation FRN 4.09% 10/12/2033	800,000	818	0.09
Greene King Finance 3.593% 15/03/2035	4,812,000	4,777	0.51
BUPA Finance 4.125% 14/06/2035	3,882,000	3,891	0.42
Optivo Finance 2.857% 07/10/2035	4,023,000	4,626	0.49
Longstone Finance, Series A 4.791% 19/04/2036	133,493	156	0.02
Longstone Finance 4.896% 19/04/2036	680,000	822	0.09
Morhomes 3.4% 19/02/2038	2,500,000	2,880	0.31
Manchester Airport Group Funding 2.875% 31/03/2039	3,500,000	3,446	0.37
3i Group 3.75% 05/06/2040	5,094,000	5,323	0.57
Eversholt Funding 2.742% 30/06/2040	11,399,000	11,544	1.23
Tesco Property Finance 4 5.801% 13/10/2040	1,035,043	1,399	0.15
Tesco Property Finance 5 5.661% 13/10/2041	1,959,981	2,634	0.28
Home Group 3.125% 27/03/2043	6,850,000	8,075	0.86
Libra Longhurst Group Treasury No. 2 3.25% 15/05/2043	5,251,000	6,251	0.67
Yorkshire Housing Finance 4.125% 31/10/2044	5,988,000	8,084	0.86

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
WPP Finance 2013 2.875% 14/09/2046	4,728,000	4,122	0.44
Catalyst Housing 3.125% 31/10/2047	4,565,000	5,618	0.60
Catalyst Housing 3.125% 31/10/2047 (Senior Secured)	17,742,000	21,670	2.31
Karbon Homes 3.375% 15/11/2047	9,917,000	13,334	1.42
British Telecommunications 3.625% 21/11/2047	2,000,000	2,350	0.25
Optivo Finance 3.283% 22/03/2048	1,861,000	2,304	0.25
Notting Hill Genesis 3.25% 12/10/2048	5,040,000	5,905	0.63
M&G FRN 3.875% 20/07/2049	303,000	302	0.03
RL Finance Bonds No. 4 FRN 4.875% 07/10/2049	4,467,000	4,437	0.47
London & Quadrant Housing Trust 3.75% 27/10/2049	1,480,000	1,956	0.21
Channel Link Enterprises Finance FRN 1.761% 30/06/2050	1,837,000	1,662	0.18
Channel Link Enterprises Finance FRN 2.706% 30/06/2050	2,178,000	2,043	0.22
M&G FRN 5.56% 20/07/2055	2,989,000	3,082	0.33
BAT International Finance 4% 23/11/2055	9,853,000	11,515	1.23
M&G FRN 6.34% 19/12/2063	5,792,000	6,441	0.69
M&G FRN 6.25% 20/10/2068	5,006,000	5,511	0.59
SSE FRN 4.75% 16/09/2077	4,999,000	4,114	0.44
Barclays Bank FRN 5.33% Perpetual	2,360,000	2,360	0.25
BP Capital Markets FRN 4.25% Perpetual	11,528,000	11,602	1.24

	Holding at 30.6.20	Market Value £000's	% of net assets
Nationwide Building Society FRN 5.75% Perpetual	4,089,000	4,115	0.44
Nationwide Building Society FRN 5.875% Perpetual	1,000,000	999	0.11
SSE FRN 0% Perpetual	14,077,000	14,072	1.50
SSE FRN 3.875% Perpetual	2,300,000	2,299	0.25
	<b>511,929</b>	<b>54.64</b>	
<b>United States of America 7.93% (6.34%)</b>			
EnLink Midstream Partners 4.4% 01/04/2024	4,641,000	3,141	0.34
Ford Motor Credit 4.535% 06/03/2025	2,413,000	2,273	0.24
Delta Air Lines 7% 01/05/2025	2,000,000	1,683	0.18
Expedia Group 6.25% 01/05/2025	5,500,000	4,775	0.51
EnLink Midstream Partners 4.15% 01/06/2025	1,500,000	941	0.10
Southwest Airlines 5.125% 15/06/2027	5,456,000	4,601	0.49
Dell International 6.1% 15/07/2027	4,000,000	3,766	0.40
Sotheby's 7.375% 15/10/2027	1,682,000	1,295	0.14
EnLink Midstream 5.375% 01/06/2029	2,275,000	1,391	0.15
American Campus Communities Operating Partnership REIT 2.85% 01/02/2030	415,000	327	0.04
DENTSPLY SIRONA 3.25% 01/06/2030	7,365,000	6,311	0.67
Ralph Lauren 2.95% 15/06/2030	4,950,000	4,143	0.44
Broadcom 4.15% 15/11/2030	11,000,000	9,742	1.04

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
American Campus Communities Operating Partnership REIT 3.875% 30/01/2031	9,920,000	8,486	0.91
AT&T 7% 30/04/2040	4,100,000	6,660	0.71
AT&T 4.25% 01/06/2043	5,350,000	6,570	0.70
AT&T 4.875% 01/06/2044	6,100,000	8,160	0.87
		<b>74,265</b>	<b>7.93</b>
<b>Corporate Bonds total</b>		<b>839,323</b>	<b>89.58</b>
<b>Convertible Bonds 0.92% (1.94%)</b>			
<b>Jersey 0.08% (1.12%)</b>			
Intu Jersey 2 REIT 2.88% 01/11/2022	10,100,000	758	0.08
		<b>758</b>	<b>0.08</b>
<b>Luxembourg 0.84% (0.82%)</b>			
ADO Properties 1.25% 23/11/2023	9,200,000	7,837	0.84
		<b>7,837</b>	<b>0.84</b>
<b>Convertible Bonds total</b>		<b>8,595</b>	<b>0.92</b>
<b>Swaps (0.06)% (0.00%)</b>			
Credit Default Swap Barclays Buy Wendel 3.75% 21/01/2021 20/06/2023	EUR 5,000,000	(613)	(0.07)
Credit Default Swap Citigroup Buy Rexel 2.125% 15/06/2025 20/06/2024	EUR 3,000,000	(396)	(0.04)
Credit Default Swap Merrill Lynch Buy Rexel 2.125% 15/06/2025 20/06/2024	EUR 1,000,000	(132)	(0.01)

	Holding at 30.6.20	Market Value £000's	% of net assets
Credit Default Swap Citigroup Buy BNP Paribas 5% 28/06/2016 20/06/2024	EUR 2,482,300	9	0.00
Credit Default Swap Credit Suisse Buy BNP Paribas 5% 2 8/06/2016 20/06/2024	EUR 2,000,000	7	0.00
Credit Default Swap Goldman Sachs Buy BNP Paribas 5% 28/06/2016 20/06/2024	EUR 3,044,733	11	0.00
Credit Default Swap Barclays Buy United Mexican States 4.15% 28/03/2027 20/06/2025	USD 4,000,000	85	0.01
Credit Default Swap Citigroup Sell Iberdrola 2.875% 11/11/2020 20/06/2021	EUR 484,147	4	0.00
Credit Default Swap BNP Paribas Sell Casino Guichard Perrachon 1.865% 13/06/2022 20/06/2022	EUR 4,800,000	(82)	(0.01)
Credit Default Swap Credit Suisse Sell Casino Guichard Perrachon 1.865% 13/06/2022 20/06/2022	EUR 3,500,000	(60)	0.00
Credit Default Swap J.P. Morgan Sell Next 5.375% 2 6/10/2021 20/06/2022	EUR 3,000,000	(13)	0.00
Credit Default Swap Barclays Sell Casino Guichard Perrachon 1.865% 13/06/2022 20/12/2022	EUR 4,000,000	(92)	0.00

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Credit Default Swap Goldman Sachs Sell Casino Guichard Perrachon 1.865% 13/06/2022 20/12/2022	EUR 2,000,000	(46)	0.00
Credit Default Swap Merrill Lynch Sell Wendel 3.75% 21/01/2021 20/06/2024	EUR 5,000,000	787	0.08
Credit Default Swap Citigroup Sell British Telecommunications 5.75% 07/12/2028 20/06/2024	EUR 5,000,000	28	0.00
Credit Default Swap Goldman Sachs Sell Teva Pharmaceutical Finance 3.65% 10/11/2021 20/12/2024	USD 3,500,000	(326)	(0.03)
Credit Default Swap Barclays Sell British Telecommunications 5.75% 07/12/2028 20/12/2024	EUR 1,480,823	4	0.00
Credit Default Swap Goldman Sachs Sell British Telecommunications 5.75% 07/12/2028 20/12/2024	EUR 909,091	3	0.00
Credit Default Swap J.P. Morgan Sell British Telecommunications 5.75% 07/12/2028 20/12/2024	EUR 11,519,177	34	0.00
Credit Default Swap Barclays Sell Intrum 3.125% 15/07/2024 20/06/2025	EUR 5,000,000	(375)	(0.04)
Credit Default Swap J.P. Morgan Sell Delta Air Lines 3.625% 15/03/2022 20/06/2025	USD 1,963,000	(165)	(0.02)

	Holding at 30.6.20	Market Value £000's	% of net assets
Credit Default Swap Citigroup Sell Teva Pharmaceutical Finance 3.65% 10/11/2021 20/06/2025	USD 4,000,000	(429)	(0.05)
Credit Default Swap Barclays Sell AT&T 3.8% 15/02/2027 20/06/2025	USD 4,000,000	(18)	0.00
Credit Default Swap Barclays Sell Verizon Communications 4.125% 16/03/2027 20/06/2025	USD 8,000,000	101	0.01
Credit Default Swap BNP Paribas Sell Verizon Communications 4.125% 16/03/2027 20/06/2025	USD 8,000,000	101	0.01
Credit Default Swap Credit Suisse Sell Verizon Communications 4.125% 16/03/2027 20/06/2025	USD 5,000,000	63	0.01
Credit Default Swap Credit Suisse Sell British Telecommunications 5.75% 07/12/2028 20/06/2025	EUR 3,000,000	1	0.00
Credit Default Swap J.P. Morgan Sell British Telecommunications 5.75% 07/12/2028 20/06/2025	EUR 4,800,000	2	0.00
Inflation Rate Swap Morgan Stanley Pay fixed 0.727% Receive floating USCPI 1 month 21/04/2025	USD 10,000,000	152	0.02
Inflation Rate Swap Morgan Stanley Pay fixed 0.74% Receive floating USCPI 1 month 21/04/2025	USD 20,000,000	292	0.03

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Inflation Rate Swap Morgan Stanley Pay fixed 0.751% Receive floating USCPI 1 month 21/04/2025	USD 10,000,000	141	0.01
Inflation Rate Swap Morgan Stanley Pay fixed 0.67% Receive floating USCPI 1 month 22/04/2025	USD 10,000,000	175	0.02
Interest Rate Swap Morgan Stanley Pay floating LIBOR 6 month Receive fixed 0.99% 06/07/2022	GBP 4,670,000	76	0.01
Interest Rate Swap Morgan Stanley Pay floating LIBOR 6 month Receive fixed 0.69% 23/08/2022	GBP 10,000,000	104	0.01
Interest Rate Swap Morgan Stanley Pay floating LIBOR 6 month Receive fixed 1.309% 06/02/2023	GBP 4,540,000	132	0.01
Interest Rate Swap Morgan Stanley Pay floating LIBOR 6 month Receive fixed 0.678% 23/08/2024	GBP 6,500,000	123	0.01
Interest Rate Swap Morgan Stanley Pay fixed 0.79% Receive floating LIBOR 6 month 23/08/2049	GBP 2,200,000	(239)	(0.03)
<b>Swaps total</b>		<b>(551)</b>	<b>(0.06)</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Forward Foreign Currency Contracts (0.22)% (0.41%)</b>			
Buy EUR 15,441,229 Sell GBP 13,964,320 29/07/2020	EUR 15,441,229	148	0.02
Buy USD 32,223,799 Sell GBP 25,792,531 29/07/2020	USD 32,223,799	466	0.05
Buy USD 1,000,000 Sell GBP 811,022 2 4/09/2020	USD 1,000,000	4	0.00
Sell CHF 3,479,809 Buy GBP 2,944,900 29/07/2020	CHF (3,479,809)	(40)	0.00
Sell EUR 41,218,795 Buy GBP 37,026,512 29/07/2020	EUR (41,218,795)	(646)	(0.07)
Sell EUR 35,591,132 Buy GBP 31,960,766 27/08/2020	EUR (35,591,132)	(584)	(0.06)
Sell EUR 35,591,132 Buy GBP 31,970,090 24/09/2020	EUR (35,591,132)	(590)	(0.06)
Sell EUR 26,064,590 Buy GBP 23,590,216 28/10/2020	EUR (26,064,590)	(271)	(0.03)
Sell USD 45,912,049 Buy GBP 37,460,326 29/07/2020	USD (45,912,049)	48	0.00
Sell USD 4,960, 250 Buy GBP 3,946,703 29/07/2020	USD (4,960,250)	(95)	(0.01)
Sell USD 45,912,049 Buy GBP 37,456,353 27/08/2020	USD (45,912,049)	49	0.00
Sell USD 45,912,049 Buy GBP 37,446,516 24/09/2020	USD (45,912,049)	45	0.00

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Sell USD 5,000,000 Buy GBP 3,953,420 24/09/2020	USD (5,000,000)	(120)	(0.01)
Sell USD 46,281,641 Buy GBP 37,230,767 28/10/2020	USD (46,281,641)	(462)	(0.05)
<b>Forward Foreign Currency Contracts total</b>		<b>(2,048)</b>	<b>(0.22)</b>
<b>Futures (0.04)% ((0.04)%)</b>			
Euro-Bobl September 2020	(135)	(65)	(0.01)
Euro-Bund September 2020	(318)	(571)	(0.06)
Euro-Buxl 30 Year Bond September 2020	(13)	3	0.00
Long Gilt September 2020	422	354	0.04
US 5 Year Note September 2020	2	1	0.00
US 10 Year Note September 2020	(24)	(10)	0.00
US 10 Year Ultra Bond September 2020	(41)	(89)	(0.01)
US Ultra Bond September 2020	(19)	(6)	0.00
<b>Futures total</b>		<b>(383)</b>	<b>(0.04)</b>
Portfolio of investments		<b>877,786</b>	<b>93.69</b>
Net other assets		59,133	6.31
<b>Net assets attributable to shareholders</b>		<b>936,919</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital gains		10,824		19,117
Revenue	13,626		5,867	
Expenses	(2,101)		(984)	
Net revenue before taxation	<b>11,525</b>		<b>4,883</b>	
Taxation	(81)		0	
Net revenue after taxation		<b>11,444</b>		<b>4,883</b>
<b>Total return before distributions</b>		<b>22,268</b>		<b>24,000</b>
Distributions		(13,538)		(5,865)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>8,730</b>		<b>18,135</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		500,754 <sup>^</sup>		261,329
Amounts receivable on issue of shares	515,891		60,493	
Amounts payable on cancellation of shares	(96,175)		(10,089)	
		<b>419,716</b>		<b>50,404</b>
Dilution adjustment		1,834		12
Change in net assets attributable to shareholders from investment activities		8,730		18,135
Retained distribution on Accumulation shares		5,881		2,854
Unclaimed distributions		4		4
<b>Closing net assets attributable to shareholders</b>		<b>936,919</b>		<b>332,738<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	884,321	467,101
<b>Current assets</b>		
Debtors	69,237	16,397
Cash and bank balances	32,135	22,844
<b>Total assets</b>	<b>985,693</b>	<b>506,342</b>
<b>Liabilities</b>		
Investment liabilities	(6,535)	(2,426)
<b>Creditors</b>		
Bank overdrafts	(839)	(732)
Distributions payable	(5,945)	(2,038)
Other creditors	(35,455)	(392)
<b>Total liabilities</b>	<b>(48,774)</b>	<b>(5,588)</b>
<b>Net assets attributable to shareholders</b>	<b>936,919</b>	<b>500,754</b>



# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder Sterling Corporate Bond Fund are disclosed on page 8.

# 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 period ended 30 June 2020.

# Schroder European Recovery Fund

## Fund Information

### Investment objective and policy

The Schroder European Recovery Fund (the 'Fund') aims to provide capital growth by investing in equity and equity related securities of European companies, excluding the UK.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of European companies, excluding the UK.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

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

The Fund may use derivatives with the aim reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the FTSE World Series Europe ex UK (Gross Total Return) index and the Investment Association Europe ex UK sector average return. The comparator benchmarks have been selected because the Investment Adviser and the ACD believe that these benchmarks are suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
<b>Total purchases</b>	30,071	38,389
<b>Total sales</b>	69,282	97,315

## Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Accumulation shares	10,134,000	614.08	771.08
C Income shares	19,311	584.47	731.43
C Accumulation shares	1,743,916	669.50	838.05
L Income shares	1,618,054	53.48	66.86
L Accumulation shares	30,802,890	61.32	76.68
S Income shares	7,411,879	50.33	62.82
S Accumulation shares	1,747,502	679.83	848.87
Z Income shares	574,248	571.33	714.48
Z Accumulation shares	9,803,614	708.60	886.44

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.

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of A Accumulation shares on a dealing price to dealing price basis fell 20.24%. In comparison, the FTSE<sup>1</sup> World European ex UK Index generated a negative total return of 1.92%<sup>2</sup> in sterling terms and the Investment Association Europe ex UK sector average generated a negative total return of 1.96%<sup>2</sup>.

The fund uses the Schroders Value Team's bottom-up, deep-value approach to identify recovery stocks. The approach seeks to take advantage of investors' low tolerance for short-term bad news and a tendency to extrapolate current trends when forming future expectations. It enables us to identify companies that have become significantly undervalued relative to their long-term earnings potential.

The fund underperformed the index during the period, which was dominated by the Covid-19 outbreak and subsequent measures to contain it. We initially expected pandemic-related concerns would lead to volatile markets with many businesses breaching covenants, requiring more equity or simply going bust. We reassessed our holdings and drew comfort that those in the mining, oil and gas and banking sector, were entering this crisis with far stronger balance sheets and far more conservative capital structures than at the peak of previous cycles.

Thus far, however, balance sheet risk does not seem to have entered the equation. The market darlings that were seen as the answer when the economy was strong are apparently still seen as the answer now the economy is weak. We do not believe this will last. Given the scale of the economic threat that is now unfolding, we would anticipate a lot of businesses will leave their equity investors vulnerable as a consequence of overly aggressive capital structures and excess leverage.

Turning to specific stocks, the main individual detractors were oil services business Drilling Co. of 1972 and banks ING Group and ABN AMRO Bank. A new position in the portfolio is Scandinavian Tobacco Group. It is a cigar & pipe company and has a number of leading brands. The business generates significant cash flow and brings more defensive characteristics to the portfolio.

## Co-Fund Manager:

Andrew Lyddon



Co-manager of European Income, European Recovery and Global Recovery strategies, with 15 years' investment experience

Past Specialist Value UK equities fund manager

UK equity analyst responsible for Telecommunications and Support Services

Joined Schroders in October 2005 as an Equity Analyst with the Pan European Industrials desk

CFA Charterholder

MSc in Intellectual Property Law, Queen Mary College

Degree in Chemistry, Bath University

## Co-Fund Manager:

Andrew Evans



Co-Fund Manager of Schroder ISF European Value and Schroder ISF European Equity Yield

Joined Schroders' Global Value Team in June 2015

Investment career commenced in 2001

Worked at Threadneedle in UK research and Dresdner Kleinwort as an analyst for the Pan European transport sector

CFA Charterholder

Degree in Economics, Exeter University

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<sup>2</sup> Source: Thomson Reuters Datastream.

**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 was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 96.53% (98.49%)</b>			
<b>Australia 4.24% (3.32%)</b>			
South32	6,809,094	7,724	4.24
		<b>7,724</b>	<b>4.24</b>
<b>Belgium 7.49% (9.28%)</b>			
Ageas	109,694	3,161	1.73
bpost	710,346	3,894	2.14
EVS Broadcast Equipment	256,717	3,729	2.05
Orange Belgium	215,944	2,860	1.57
		<b>13,644</b>	<b>7.49</b>
<b>Canada 3.81% (4.30%)</b>			
Lundin Mining	1,594,833	6,935	3.81
		<b>6,935</b>	<b>3.81</b>
<b>Denmark 5.14% (3.75%)</b>			
D/S Norden	154,833	1,685	0.92
Drilling Co. of 1972	179,240	3,048	1.67
Scandinavian Tobacco Group A	387,769	4,637	2.55
		<b>9,370</b>	<b>5.14</b>
<b>France 17.96% (16.68%)</b>			
Arkema	44,164	3,433	1.88
AXA	217,527	3,696	2.03
BNP Paribas	154,064	4,977	2.73
Dassault Aviation	3,961	2,942	1.62
Publicis Groupe	168,284	4,428	2.43
Sanofi	92,618	7,669	4.21
Television Francaise 1	1,267,893	5,574	3.06
		<b>32,719</b>	<b>17.96</b>
<b>Germany 16.17% (12.83%)</b>			
Allianz	42,727	7,095	3.90
Continental	71,166	5,680	3.12

	Holding at 30.6.20	Market Value £000's	% of net assets
Covestro	91,280	2,828	1.55
Deutsche Bank	358,236	2,775	1.52
Schaeffler Preference	910,462	5,539	3.04
Software	168,408	5,536	3.04
		<b>29,453</b>	<b>16.17</b>
<b>Greece 0.91% (1.54%)</b>			
Alpha Bank	2,753,453	1,663	0.91
		<b>1,663</b>	<b>0.91</b>
<b>Italy 9.46% (12.57%)</b>			
Danieli & C Officine Meccaniche	304,506	1,995	1.10
Eni	833,799	6,481	3.56
Intesa Sanpaolo	2,200,772	3,422	1.88
UniCredit	709,549	5,324	2.92
		<b>17,222</b>	<b>9.46</b>
<b>Luxembourg 2.66% (2.43%)</b>			
RTL Group	187,694	4,839	2.66
		<b>4,839</b>	<b>2.66</b>
<b>Netherlands 8.10% (9.55%)</b>			
ABN AMRO Bank	411,204	2,879	1.58
Boskalis Westminster	121,743	1,953	1.07
ING Groep	808,444	4,577	2.52
PostNL	3,057,565	5,335	2.93
		<b>14,744</b>	<b>8.10</b>
<b>Norway 5.18% (5.25%)</b>			
DNB	302,951	3,223	1.77
TGS NOPEC Geophysical	267,264	3,118	1.71
Yara International	110,490	3,088	1.70
		<b>9,429</b>	<b>5.18</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Poland 1.20% (1.81%)</b>			
Orange Polska	1,718,488	2,190	1.20
		<b>2,190</b>	<b>1.20</b>
<b>Romania 2.14% (4.00%)</b>			
Societatea Nationala de Gaze Naturale ROMGAZ	647,101	3,889	2.14
		<b>3,889</b>	<b>2.14</b>
<b>Russia 4.62% (5.70%)</b>			
Gazprom ADR	938,294	4,126	2.26
LUKOIL ADR	70,981	4,296	2.36
		<b>8,422</b>	<b>4.62</b>
<b>Spain 1.99% (3.94%)</b>			
Repsol	483,434	3,438	1.89
Repsol Rights 06/07/2020	466,664	184	0.10
		<b>3,622</b>	<b>1.99</b>
<b>Sweden 1.88% (0.00%)</b>			
Betsson	586,309	3,290	1.80
Betsson (Redemption)	565,970	141	0.08
		<b>3,431</b>	<b>1.88</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Switzerland 3.58% (1.54%)</b>			
GAM Holding	2,025,001	3,774	2.07
Swatch Group	16,922	2,743	1.51
		<b>6,517</b>	<b>3.58</b>
<b>Equities total</b>			
		<b>175,813</b>	<b>96.53</b>
<b>Portfolio of investments</b>			
		<b>175,813</b>	<b>96.53</b>
<b>Net other assets</b>			
		6,320	3.47
<b>Net assets attributable to shareholders</b>			
		<b>182,133</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(58,571)		26,681
Revenue	2,385		10,968	
Expenses	(1,188)		(1,693)	
Net revenue before taxation	<b>1,197</b>		<b>9,275</b>	
Taxation	(117)		(502)	
Net revenue after taxation		<b>1,080</b>		<b>8,773</b>
<b>Total return before distributions</b>		<b>(57,491)</b>		<b>35,454</b>
Distributions		(77)		(198)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(57,568)</b>		<b>35,256</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		278,766 <sup>^</sup>		322,144
Amounts receivable on issue of shares	8,590		3,967	
Amounts payable on cancellation of shares	(47,680)		(56,427)	
		<b>(39,090)</b>		<b>(52,460)</b>
Dilution adjustment		20		25
Change in net assets attributable to shareholders from investment activities		(57,568)		35,256
Unclaimed distributions		5		0
<b>Closing net assets attributable to shareholders</b>		<b>182,133</b>		<b>304,965<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.



# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	175,813	274,566
<b>Current assets</b>		
Debtors	1,569	1,716
Cash and bank balances	11,036	3,796
<b>Total assets</b>	<b>188,418</b>	<b>280,078</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	0	(721)
Other creditors	(6,285)	(591)
<b>Total liabilities</b>	<b>(6,285)</b>	<b>(1,312)</b>
<b>Net assets attributable to shareholders</b>	<b>182,133</b>	<b>278,766</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder European Recovery Fund are disclosed on page 8.

# Schroder Core UK Equity Fund

## Fund Information

### Investment objective and policy

The Schroder Core UK Equity Fund (the 'Fund') aims to provide capital growth and income in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

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

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

### Fund characteristics

The Fund's performance should be assessed against the target benchmark, being to exceed the FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK All Companies sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	6,179	19,784
Total sales	10,306	37,279

## Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Income shares	1,004,779	131.38	169.70
A Accumulation shares	5,359,297	246.24	312.44
C Income shares	755,471	140.99	181.71
C Accumulation shares	632,261	263.80	334.00
S Income shares	9,241,177	38.27	49.22
Z Income shares	4,031,713	148.48	191.18
Z Accumulation shares	6,139,788	278.11	351.78

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.

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price fell 20.62%. In the same period, the FTSE<sup>1</sup> All Share Index generated a negative total return of 17.51%<sup>2</sup>

The fund returned -20.6% versus -17.5% for the FTSE All-Share index. Positive influences included overweights in pharmaceuticals and biotechnology and underweights in oil and gas producers and banks; overweights in BHP Group, Ocado Group and RELX and underweights in Royal Dutch Shell and not owning HSBC. Negatives included overweights in aerospace and defence and travel and leisure and underweights in gas, water and multi-utilities; overweights in Capita, FirstGroup and Lloyds Banking Group.

We entered 2020 with a portfolio that was positioned to take advantage of a firmer economic backdrop and receding UK political risk around Brexit. The Covid-19 pandemic and its effects required us to quickly re-assess our positioning, while during this period we have supported quality companies with equity financing to help strengthen their balance sheets and improve their short-term liquidity.

We took decisive action early in the crisis in companies where we had concerns such as the domestic banks. We sold out of Royal Bank of Scotland Group and reduced our position in Lloyds Banking Group Banking. We continued to reduce exposure to the oil sector, with a reduction in our holdings in Royal Dutch Shell and BP given the challenges the companies are facing from the low oil price and subdued demand. This in turn has implications for the companies' balance sheets and the outlook for shareholder distributions.

We have looked to gradually redeploy the proceeds of these disposals during the market turmoil, and support fund raisings in companies better placed to emerge strongly out of the downturn. We established two new positions in companies we expect to benefit from increased infrastructure spend, namely Anglo American, the diversified mining group, and the US building products distributor, Ferguson. We added to Capita, G4S and IWG, all of which were hard-hit in the market sell-off. Trading on depressed valuations, we took the view that these stocks had recovery prospects, were oversold and that the market was being overly pessimistic about the financial positions of each. We took part in equity issuances at IWG, Assura, William Hill and Whitbread. We see good value opportunities to add to existing positions in the life assurance sector. We believe both Prudential and Legal & General Group offer good share price upside from current levels given the secular growth opportunities available to each.

It is crucial in times like these to take a long-term investment approach and resist knee-jerk reactions. This attitude is driving both our engagements with companies and the stock picking and portfolio decisions we are making. We believe there are many exciting individual stock opportunities in the market. However, it is important after the progress which UK and other bourses have made from the lows in March that we are cognisant of the risk facing the market in the form of a potential second wave of coronavirus cases.

**Fund Manager:**  
**Matt Bennison**



Co-manager of the Schroder Core UK Equity Fund since September 2018 and fund manager for Prime UK equity portfolios since 2017

Research responsibility focuses on UK companies, for the Prime UK Equity team since 2015 and the Core UK Equity Fund from September 2018

Investment career commenced in 2012 at Schroders Private Bank (that subsequently became Cazenove Capital), where he worked for the Chief Investment Officer

CFA charterholder

Degree in Natural Sciences, Cambridge University and one year Management Studies, Judge Business School, Cambridge

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2 Source: Thomson Reuters Datastream.

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# Risk Profile

## Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Collective Investment Schemes 0.70% (0.00%)</b>			
<b>Multi Asset Funds 0.70% (0.00%)</b>			
Syncona <sup>5</sup>	124,398	307	0.70
		<b>307</b>	<b>0.70</b>

<b>Collective Investment Schemes total</b>		<b>307</b>	<b>0.70</b>
--------------------------------------------	--	------------	-------------

<b>Equities 99.22% (99.22%)</b>			
<b>Oil &amp; Gas 4.57% (12.37%)</b>			
BP	258,463	794	1.81
Royal Dutch Shell B	98,793	1,209	2.76
		<b>2,003</b>	<b>4.57</b>

<b>Basic Materials 11.57% (9.04%)</b>			
Anglo American	39,999	748	1.71
BHP Group	106,316	1,758	4.01
Johnson Matthey	37,482	786	1.79
Rio Tinto	39,173	1,782	4.06
		<b>5,074</b>	<b>11.57</b>

<b>Industrials 14.32% (14.24%)</b>			
BAE Systems	289,381	1,399	3.19
Capita	1,052,830	464	1.06
Ferguson	9,394	621	1.42
G4S	1,248,623	1,422	3.24
IWG	375,667	996	2.27
QinetiQ Group	254,401	757	1.73
Smiths Group	44,087	620	1.41
		<b>6,279</b>	<b>14.32</b>

<b>Consumer Goods 11.35% (10.39%)</b>			
British American Tobacco	64,867	2,014	4.59
Burberry Group	62,234	995	2.27
Taylor Wimpey	373,438	532	1.21
Unilever	33,026	1,438	3.28
		<b>4,979</b>	<b>11.35</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Health Care 14.43% (12.06%)</b>			
AstraZeneca	27,774	2,339	5.34
GlaxoSmithKline	216,391	3,540	8.07
Smith & Nephew	29,678	447	1.02
		<b>6,326</b>	<b>14.43</b>

<b>Consumer Services 22.66% (21.47%)</b>			
Daily Mail & General Trust A	64,336	443	1.01
Firstgroup	1,075,121	541	1.23
ITV	404,647	302	0.69
Next	9,321	456	1.04
Ocado Group	36,342	737	1.68
Pearson	229,983	1,324	3.02
Pets at Home Group	354,971	849	1.94
RELX	87,801	1,642	3.75
Tesco	711,983	1,624	3.70
Whitbread	54,606	1,211	2.76
William Hill	709,455	807	1.84
		<b>9,936</b>	<b>22.66</b>

<b>Utilities 2.35% (0.00%)</b>			
National Grid	104,445	1,032	2.35
		<b>1,032</b>	<b>2.35</b>

<b>Financials 17.97% (19.65%)</b>			
Assura	926,916	728	1.66
Intermediate Capital Group	57,300	738	1.68
John Laing Group	277,902	968	2.21
Legal & General Group	659,518	1,457	3.32
Lloyds Banking Group	2,723,566	849	1.94
Prudential	108,900	1,327	3.03
Standard Chartered	266,429	1,172	2.67
TP ICAP	182,097	639	1.46
		<b>7,878</b>	<b>17.97</b>

# Portfolio Statement (continued)

	Market Value £000's	% of net assets
<b>Equities total</b>	<b>43,507</b>	<b>99.22</b>
Portfolio of investments	<b>43,814</b>	<b>99.92</b>
Net other assets	34	0.08
<b>Net assets attributable to shareholders</b>	<b>43,848</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

§ Closed ended Fund.

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20	30.6.19
	£000's	£000's
<b>Income</b>		
Net capital (losses)/gains	(13,320)	6,061
Revenue	834	1,911
Expenses	(250)	(353)
Net revenue before taxation	<b>584</b>	<b>1,558</b>
Taxation	0	0
Net revenue after taxation	<b>584</b>	<b>1,558</b>
<b>Total return before distributions</b>	<b>(12,736)</b>	<b>7,619</b>
Distributions	(827)	(1,911)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(13,563)</b>	<b>5,708</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20	30.6.19
	£000's	£000's
Opening net assets attributable to shareholders	61,738 <sup>^</sup>	69,521
Amounts receivable on issue of shares	501	5,092
Amounts payable on cancellation of shares	(5,417)	(8,692)
	<b>(4,916)</b>	<b>(3,600)</b>
Dilution adjustment	18	1
Change in net assets attributable to shareholders from investment activities	(13,563)	5,708
Retained distribution on Accumulation shares	570	1,372
Unclaimed distributions	1	1
<b>Closing net assets attributable to shareholders</b>	<b>43,848</b>	<b>73,003<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.



# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	43,814	61,259
<b>Current assets</b>		
Debtors	149	169
Cash and bank balances	230	733
<b>Total assets</b>	<b>44,193</b>	<b>62,161</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	(216)	(329)
Other creditors	(129)	(94)
<b>Total liabilities</b>	<b>(345)</b>	<b>(423)</b>
<b>Net assets attributable to shareholders</b>	<b>43,848</b>	<b>61,738</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder Core UK Equity Fund are disclosed on page 8.

# Schroder UK Alpha Income Fund

## Fund Information

### Investment objective and policy

The Schroder UK Alpha Income Fund (the 'Fund') aims to provide income and capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

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

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

### Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK Equity Income sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	26,806	74,807
Total sales	50,618	163,537

## Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Income shares	3,325,098	118.69	153.06
A Accumulation shares	1,046,574	163.61	206.46
C Income shares	5,658,779	128.28	164.90
C Accumulation shares	3,103,754	180.53	227.11
L Income shares	19,032,131	41.63	53.46
L Accumulation shares	16,434,463	56.74	71.31
S Income shares	8,811,543	40.41	51.81
S Accumulation shares	60,483	183.31	230.04
Z Income shares	25,747,779	133.49	171.49
Z Accumulation shares	12,321,559	191.34	240.56

**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.**

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 20.02%. In the same period, the FTSE<sup>1</sup> All Share Index generated a negative total return of 17.51%<sup>2</sup>.

In February 2020, Sue Noffke and Matt Bennison of the Schroders Prime UK Equity Team replaced Matt Hudson as managers of the fund. The Prime team deploy a bottom up, style neutral, focussed investment approach which has established a successful track record for a wide range of clients over a long period encompassing many different market conditions.

The fund returned -20.0% versus -17.5% for the FTSE All-Share index. Positive influences included overweights in food and drug retailers and underweights in oil and gas producers and banks; overweights in BHP Group, RELX and Croda International and underweights in Royal Dutch Shell and not owning HSBC. Negatives included overweights in aerospace and defence and fixed line telecommunications and underweights in pharmaceuticals and biotechnology; overweights in easyJet, National Express and WPP. Not owning outperforming AstraZeneca also detracted, though this was partially offset by our overweight position in GlaxoSmithKline.

The fund entered 2020 with a portfolio that was positioned to take advantage of a firmer economic backdrop and receding UK political risk around Brexit. The Covid-19 pandemic and its effects required us to quickly re-assess positioning, while during this period we have supported quality companies with equity financing to help strengthen their balance sheets and improve their short-term liquidity.

We took decisive action early in the crisis in companies where we had concerns such as the domestic banks. We sold out of Royal Bank of Scotland and reduced our position in Lloyds Banking. We continued to reduce exposure to the oil sector, with a reduction in our holding in BP given the challenges the company is facing from the low oil price and subdued demand. This in turn has implications for the company's balance sheet and the outlook for shareholder distributions. We also sold out of a number of positions where we had concerns around balance sheet strength or prospects for dividends, including BT, Bodycote, easyJet, Crest Nicholson, Provident Financial, RSA Insurance, Senior, WH Smith and WPP.

We have looked to gradually redeploy the proceeds of these disposals during the market turmoil, and support fund raisings in companies better placed to emerge strongly out of the downturn. We established new positions in robust businesses trading on attractive valuations with good income generation prospects. These include Anglo American, Legal & General, M&G, National Grid, Pearson, Pets at Home, TP ICAP, Direct Line, G4S, Taylor Wimpey and GALP Energia.

It is crucial in times like these to take a long-term investment approach and resist knee-jerk reactions. This attitude is driving both our engagements with companies and the stock picking and portfolio decisions we are making. We believe there are many exciting individual stock opportunities in the market. However, it is important after the progress which UK and other bourses have made from the lows in March that we are cognisant of the risk facing the market in the form of a potential second wave of coronavirus cases.

**Fund Manager:**  
**Matthew Hudson**



Matthew Hudson joined Schroders in July 2013 following the acquisition of Cazenove Capital

He joined Cazenove Capital in 2001 from AIB Govett Investment Management. Prior to this he was a chartered accountant at PricewaterhouseCoopers

He is the Head of the Pan European Business Cycle equity Team at Schroders with responsibility for UK equity income portfolio

He manages the Schroder UK Alpha Income Fund, Schroder UK Opportunities Fund, SIF UK Alpha Income Fund and SUTL Cazenove Charity Equity Income Fund, a Charity Authorised Investment Fund

He Graduated from Cambridge University with a degree in history and has 21 years' investment experience

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2 Source: Thomson Reuters Datastream.

**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 was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 99.96% (98.17%)</b>			
<b>Oil &amp; Gas 5.31% (7.72%)</b>			
BP	749,689	2,303	2.36
Galp Energia	168,571	1,584	1.63
Royal Dutch Shell B	105,360	1,289	1.32
		<b>5,176</b>	<b>5.31</b>

<b>Basic Materials 13.22% (6.87%)</b>			
Anglo American	89,709	1,677	1.72
BHP Group	328,053	5,427	5.57
Croda International	57,914	3,043	3.13
Rio Tinto	38,280	1,741	1.79
Victrex	50,240	982	1.01
		<b>12,870</b>	<b>13.22</b>

<b>Industrials 12.58% (17.70%)</b>			
BAE Systems	482,013	2,330	2.39
Balfour Beatty	766,329	1,997	2.05
Bunzl	99,402	2,153	2.21
G4S	2,405,150	2,740	2.81
Ibstock	595,114	1,069	1.10
QinetiQ Group	484,496	1,441	1.48
Wincanton	281,851	521	0.54
		<b>12,251</b>	<b>12.58</b>

<b>Consumer Goods 14.99% (11.40%)</b>			
Bellway	43,002	1,095	1.12
British American Tobacco	158,876	4,932	5.06
Burberry Group	169,270	2,708	2.78
Headlam Group	291,602	793	0.81
Imperial Brands	180,268	2,773	2.85
Taylor Wimpey	661,341	941	0.97
Unilever	31,224	1,360	1.40
		<b>14,602</b>	<b>14.99</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Health Care 9.02% (6.19%)</b>			
GlaxoSmithKline	536,793	8,783	9.02
		<b>8,783</b>	<b>9.02</b>
<b>Consumer Services 16.04% (17.01%)</b>			
Hollywood Bowl Group	756,412	1,150	1.18
National Express Group	439,201	821	0.84
Pearson	215,060	1,238	1.27
Pets at Home Group	579,098	1,384	1.42
RELX	258,362	4,832	4.96
Tesco	1,329,366	3,032	3.12
William Hill	707,537	805	0.83
Wm Morrison Supermarkets	1,237,722	2,357	2.42
		<b>15,619</b>	<b>16.04</b>

<b>Telecommunications 0.00% (1.38%)</b>			
<b>Utilities 6.14% (5.21%)</b>			
National Grid	188,106	1,859	1.91
Severn Trent	79,630	1,974	2.03
SSE	156,967	2,142	2.20
		<b>5,975</b>	<b>6.14</b>

<b>Financials 22.66% (23.62%)</b>			
Big Yellow Group REIT	216,502	2,172	2.23
Direct Line Insurance Group	358,716	972	1.00
Intermediate Capital Group	196,819	2,535	2.60
John Laing Group	672,925	2,344	2.41
Legal & General Group	1,421,981	3,141	3.22
Lloyds Banking Group	2,578,815	804	0.83
M&G	1,157,226	1,938	1.99
Polar Capital Holdings <sup>#</sup>	387,593	1,946	2.00
Prudential	296,702	3,615	3.71
Sabre Insurance Group	579,869	1,531	1.57

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
TP ICAP	305,785	1,073	1.10
		<b>22,071</b>	<b>22.66</b>
<b>Technology 0.00% (1.07%)</b>			
<b>Equities total</b>		<b>97,347</b>	<b>99.96</b>
Portfolio of investments		<b>97,347</b>	<b>99.96</b>
Net other assets		42	0.04
<b>Net assets attributable to shareholders</b>		<b>97,389</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

# Security traded on another regulated market.

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20	30.6.19
	£000's	£000's
<b>Income</b>		
Net capital (losses)/gains	(30,201)	20,198
Revenue	2,319	5,644
Expenses	(548)	(907)
Net revenue before taxation	<b>1,771</b>	<b>4,737</b>
Taxation	(9)	0
Net revenue after taxation	<b>1,762</b>	<b>4,737</b>
<b>Total return before distributions</b>	<b>(28,439)</b>	<b>24,935</b>
Distributions	(2,277)	(5,205)
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(30,716)</b>	<b>19,730</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20	30.6.19
	£000's	£000's
Opening net assets attributable to shareholders	154,170 <sup>^</sup>	215,966
Amounts receivable on issue of shares	1,038	1,013
Amounts payable on cancellation of shares	(27,991)	(54,570)
	<b>(26,953)</b>	<b>(53,557)</b>
Dilution adjustment	16	3
Change in net assets attributable to shareholders from investment activities	(30,716)	19,730
Retained distribution on Accumulation shares	869	1,766
Unclaimed distributions	3	2
<b>Closing net assets attributable to shareholders</b>	<b>97,389</b>	<b>183,910<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.



# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	97,347	151,355
<b>Current assets</b>		
Debtors	1,028	600
Cash and bank balances	667	5,075
<b>Total assets</b>	<b>99,042</b>	<b>157,030</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	(1,257)	(2,320)
Other creditors	(396)	(540)
<b>Total liabilities</b>	<b>(1,653)</b>	<b>(2,860)</b>
<b>Net assets attributable to shareholders</b>	<b>97,389</b>	<b>154,170</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder UK Alpha Income Fund are disclosed on page 8.

# Schroder Strategic Credit Fund

## Fund Information

### Investment objective and policy

The Schroder Strategic Credit Fund (the 'Fund') aims to provide income and capital growth in excess of 3 Month GBP LIBOR (or an equivalent reference rate) (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities of companies in the UK and Europe but this cannot be guaranteed and your capital is at risk.

The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by companies in the UK and Europe. The Fund may also invest in fixed and floating rate securities issued by companies worldwide and by governments, government agencies and supra-nationals.

The Fund may invest more than 50% of its assets in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), 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 (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus). The Fund may use leverage and take short positions.

### Fund characteristics

The Fund's performance should be assessed against its target benchmark of 3 month GBP LIBOR (or an equivalent reference rate) and compared against the Investment Association Strategic Bond sector average return. The target 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. The comparator benchmarks have been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	239,056	316,560
Total sales	450,026	372,693

# Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Income shares	1,414,869	83.99	88.70
A Accumulation shares	9,985,765	165.58	170.86
C Income shares	4,100,591	86.81	91.53
C Accumulation shares	910,726	170.16	175.30
D Income shares	32,279,086	44.62	46.99
D Accumulation shares	2,000	58.99	60.69
L Income shares	414,425,061	89.97	94.78
L Accumulation shares	76,413,705	176.47	181.64
S Income shares	238,084,050	45.84	48.24
S Accumulation shares	26,906,404	170.32	175.14
Z Income shares	25,645,788	44.89	47.31
Z Accumulation shares	217,213,635	58.77	60.52

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.

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 2.72%. In the same period, the three month GBP LIBOR generated a total return of 0.26%<sup>1</sup>.

Credit markets collapsed in March as the Covid-19 lockdown increased the likelihood of a deep global recession. By some measures, this sell-off was every bit as serious as that following Lehman's default in 2008. However, non-investment grade bonds recovered two thirds of their first quarter losses as credit markets moved sharply higher in April and May, as governments increased fiscal support for business and individuals, central banks accelerated their bond buying programmes and investor sentiment improved.

The portfolio delivered a negative return for the year, underperforming its target. Key detractors in March were concentrated in leisure and services, although all sectors were positive in the second quarter amidst the recovery, particularly leisure and autos. The decision to reduce high quality short-dated investment grade exposures in March and invest in high yield proved correct, as the rally intensified in the second quarter.

The fund is focused on harvesting steady income from BB securities, where we see value over the medium term, given that risk premium is towards the upper end of recent history and far in excess of the average historic default losses for this rating segment. We should expect more volatility in capital markets, but if the current recession generates credit losses in line with the dotcom bust of 1999-2003, then we are adequately rewarded by corporate bond yields today.

**Fund Manager:**  
**Peter Harvey**



Peter joined Schroders in July 2013 following the acquisition of Cazenove Capital

Having joined Cazenove Capital in 2005, where he was head of the European credit team, Peter is now part of the London based fixed income team at Schroders

He has 29 years' experience analysing and investing in corporate debt

Peter studied management and international relations at St Andrews University

<sup>1</sup> Source: Thomson Reuters Datastream.

**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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 0.20% (0.19%)</b>			
<b>United States of America 0.20% (0.19%)</b>			
Energy Transfer Operating Preference FRN 7.6%	100,918	1,677	0.20
		<b>1,677</b>	<b>0.20</b>

<b>Equities total</b>		<b>1,677</b>	<b>0.20</b>
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<b>Corporate Bonds 96.00% (97.90%)</b>			
<b>Australia 0.18% (1.00%)</b>			
BHP Billiton Finance FRN 6.5% 22/10/2077	1,400,000	1,508	0.18
		<b>1,508</b>	<b>0.18</b>

<b>Austria 0.36% (0.07%)</b>			
Wienerberger 2.75% 04/06/2025	2,500,000	2,314	0.27
Sappi Papier Holding 7.5% 15/06/2032	1,000,000	733	0.09
		<b>3,047</b>	<b>0.36</b>

<b>Bermuda 1.24% (1.03%)</b>			
Digicel 6.75% 01/03/2023	1,400,000	588	0.07
Fidelity International 7.125% 13/02/2024	4,117,000	4,881	0.58
Hiscox FRN 6.125% 24/11/2045	4,728,000	4,946	0.59
		<b>10,415</b>	<b>1.24</b>

<b>Canada 0.42% (2.37%)</b>			
Bausch Health 5.875% 15/05/2023	109,000	89	0.01
Bausch Health 7% 5/03/2024	3,780,000	3,196	0.38
Bausch Health 5.5% 01/11/2025	330,000	276	0.03
		<b>3,561</b>	<b>0.42</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Cayman Islands 0.33% (0.41%)</b>			
Global Aircraft Leasing 6.5% 15/09/2024	1,930,000	1,117	0.13
Southern Water Services Finance 2.375% 28/05/2028	1,603,000	1,626	0.20
		<b>2,743</b>	<b>0.33</b>

<b>Czech Republic 0.00% (0.66%)</b>			
<b>Denmark 0.59% (0.73%)</b>			
DKT Finance 9.375% 17/06/2023	5,098,000	4,176	0.50
Danske Bank FRN 2.25% 14/01/2028	812,000	816	0.09
		<b>4,992</b>	<b>0.59</b>

<b>Finland 0.20% (0.22%)</b>			
Nokia 2.375% 15/05/2025	1,366,000	1,282	0.15
Nokia 3.125% 15/05/2028	446,000	420	0.05
		<b>1,702</b>	<b>0.20</b>

<b>France 7.03% (5.59%)</b>			
Parts Europe FRN 4.375% 01/05/2022	6,133,184	5,379	0.64
Parts Europe FRN 5.5% 01/05/2022	1,435,000	1,261	0.15
Casino Guichard Perrachon 1.865% 13/06/2022	800,000	702	0.08
Burger King France FRN 5.25% 01/05/2023	4,150,000	3,618	0.43
Nexans 3.75% 08/08/2023	1,300,000	1,220	0.15
Quatrim 5.875% 15/01/2024	658,000	614	0.07
Casino Guichard Perrachon 4.498% 07/03/2024	3,000,000	2,462	0.29

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
SPIE 3.125% 22/03/2024	900,000	820	0.10
Burger King France 6% 01/05/2024	1,540,000	1,403	0.17
La Financiere Atalian 4% 15/05/2024	3,020,000	2,051	0.24
Ingenico Group 1.625% 13/09/2024	1,600,000	1,464	0.18
Louvre Bidco 4.25% 30/09/2024	150,000	128	0.02
Louvre Bidco FRN 5.375% 30/09/2024	1,204,000	1,064	0.13
Altice France 2.5% 15/01/2025	2,659,000	2,309	0.28
Air France-KLM 1.875% 16/01/2025	1,500,000	1,124	0.13
Altice France 2.125% 15/02/2025	906,000	772	0.09
Constantin Investissement 3 5.375% 15/04/2025	831,000	759	0.09
La Financiere Atalian 6.625% 15/05/2025	6,763,000	5,052	0.60
Novafives FRN 4.5% 15/06/2025	2,079,000	1,287	0.15
SPCM 4.875% 15/09/2025	3,000,000	2,464	0.29
Auchan Holding 2.875% 29/01/2026	1,000,000	912	0.11
Constellium 5.875% 15/02/2026	366,000	299	0.04
Altice France 7.375% 01/05/2026	1,000,000	850	0.10
Altice France 7.375% 01/05/2026 (Private Placement)	18,464,000	15,693	1.87
Caisse Nationale de Reassurance Mutuelle Agricole Groupama FRN 6.375% Perpetual	4,200,000	4,219	0.50
Electricite de France FRN 6% Perpetual	1,000,000	1,053	0.13
		<b>58,979</b>	<b>7.03</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Germany 7.27% (4.70%)</b>			
Deutsche Bank 4.25% 14/10/2021	4,385,000	3,667	0.44
Deutsche Bank 1.75% 16/12/2021	1,000,000	994	0.12
Deutsche Bank 5% 14/02/2022	1,850,000	1,574	0.19
Safari Verwaltungs 5.375% 30/11/2022	4,388,000	3,488	0.42
thyssenkrupp 1.875% 06/03/2023	3,496,000	3,063	0.36
Deutsche Bank 3.875% 12/02/2024	3,400,000	3,554	0.42
Schaeffler 1.875% 26/03/2024	1,514,000	1,338	0.16
Adler Pelzer Holding 4.125% 01/04/2024	500,000	324	0.04
Nidda Healthcare Holding 3.5% 30/09/2024	12,487,000	11,222	1.34
Tele Columbus 3.875% 02/05/2025	870,000	739	0.09
IHO Verwaltungs 3.625% 15/05/2025	4,938,000	4,484	0.53
Techem Verwaltungsgesellschaft 675 2% 15/07/2025	1,013,000	882	0.11
WEPA Hygieneprodukte F RN 2.875% 15/12/2026	5,963,000	5,306	0.63
Cheplapharm Arzneimittel 3.5% 11/02/2027	8,673,000	7,675	0.91
IHO Verwaltungs 6% 15/05/2027	2,300,000	1,905	0.23
IHO Verwaltungs FRN 3.875% 15/05/2027	1,310,000	1,173	0.14
WEPA Hygieneprodukte 2.875% 15/12/2027	666,000	594	0.07
EnBW Energie Baden-Wuerttemberg FRN 5.125% 05/04/2077	10,146,000	8,511	1.01
Commerzbank FRN 6.125% Perpetual	600,000	522	0.06
		<b>61,015</b>	<b>7.27</b>



# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Guernsey 0.50% (0.12%)</b>			
Summit Properties 2% 31/01/2025	4,984,000	4,153	0.50
		<b>4,153</b>	<b>0.50</b>

<b>Ireland 2.26% (2.48%)</b>			
Dell Bank International 1.625% 24/06/2024	1,333,000	1,225	0.15
AIB Group FRN 4.263% 10/04/2025	519,000	451	0.05
James Hardie International Finance 3.625% 01/10/2026	2,321,000	2,148	0.26
C&W Senior Financing 7.5% 15/10/2026	2,590,000	2,159	0.26
Bank of Ireland Group FRN 3.125% 19/09/2027	1,291,000	1,277	0.15
Virgin Media Vendor Financing Notes III 4.875% 15/07/2028	7,810,000	7,849	0.93
Roadster Finance 1.625% 09/12/2029	3,593,000	3,254	0.39
Aryzta Euro Finance FRN 4.5% Perpetual	800,000	599	0.07
		<b>18,962</b>	<b>2.26</b>

<b>Isle of Man 0.81% (0.62%)</b>			
Playtech 3.75% 12/10/2023	7,512,000	6,759	0.81
		<b>6,759</b>	<b>0.81</b>

<b>Italy 5.86% (4.88%)</b>			
UniCredit FRN 5.211% 14/01/2022	3,593,000	2,958	0.35
Autostrade per l'Italia 6.25% 09/06/2022	4,555,000	4,572	0.54
Almaviva-The Italian Innovation 7.25% 15/10/2022	4,225,000	3,435	0.41
TeamSystem FRN 4% 15/04/2023	2,985,000	2,698	0.32
Gamenet Group FRN 3.75% 27/04/2023	1,676,000	1,473	0.18

	Holding at 30.6.20	Market Value £000's	% of net assets
Gamenet Group FRN 5.125% 27/04/2023	1,163,742	1,042	0.12
Autostrade per l'Italia 1.625% 12/06/2023	1,215,000	1,049	0.13
Sisal Group 7% 31/07/2023	780,313	707	0.08
Limacorporate FRN 3.75% 15/08/2023	5,118,000	4,511	0.54
Guala Closures FRN 3.5% 15/04/2024	4,398,000	3,943	0.47
Banca IFIS 1.75% 25/06/2024	1,638,000	1,371	0.16
Bormioli Pharma Bidco FRN 3.5% 15/11/2024	6,797,000	5,536	0.66
Fabric BC FRN 4.125% 30/11/2024	1,680,000	1,496	0.18
Banca Monte dei Paschi di Siena 2.625% 28/04/2025	1,200,000	1,073	0.13
Piaggio & C 3.625% 30/04/2025	1,983,000	1,784	0.21
EVOCA FRN 4.25% 01/11/2026	1,453,000	1,132	0.14
Banca IFIS FRN 4.5% 17/10/2027	1,095,000	848	0.10
Enel FRN 8.75% 24/09/2073	3,106,000	2,876	0.34
Assicurazioni Generali FRN 4.596% Perpetual	850,000	807	0.10
Assicurazioni Generali FRN 6.269% Perpetual	2,600,000	2,896	0.35
Assicurazioni Generali FRN 6.416% Perpetual	2,800,000	2,947	0.35
		<b>49,154</b>	<b>5.86</b>

<b>Jersey 3.72% (3.25%)</b>			
LHC3 4.125% 15/08/2024	8,693,828	7,942	0.95
Galaxy Bidco 6.5% 31/07/2026	5,991,000	6,036	0.72
CPUK Finance 7.239% 28/02/2042	1,200,000	1,345	0.16
AA Bond 2.75% 31/07/2043	700,000	654	0.08
AA Bond 2.875% 31/07/2043	1,135,000	1,097	0.13

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
AA Bond 4.875% 31/07/2043	1,441,000	1,403	0.17
AA Bond 5.5% 31/07/2043	1,848,000	1,571	0.19
CPUK Finance 4.25% 28/02/2047	1,100,000	1,047	0.12
AA Bond 5.5% 31/07/2050	2,065,000	2,000	0.24
HBOS Capital Funding 6.85% Perpetual	9,838,000	8,106	0.96
		<b>31,201</b>	<b>3.72</b>

## Luxembourg 5.52% (5.79%)

Atento Luxco 1 6.125% 10/08/2022	685,000	452	0.05
Garfunkelux Holdco 3 8.5% 01/11/2022	2,190,000	2,059	0.25
Eurofins Scientific 3.375% 30/01/2023	1,733,000	1,622	0.19
Cirsa Finance International 6.25% 20/12/2023	834,000	689	0.08
Gazprom 4.25% 06/04/2024	3,630,000	3,814	0.46
Eurofins Scientific 2.125% 25/07/2024	681,000	618	0.07
ADO Properties 1.5% 26/07/2024	6,400,000	5,536	0.66
Vivion Investments 3% 08/08/2024	7,800,000	6,490	0.77
Matterhorn Telecom 2.625% 15/09/2024	2,270,000	2,021	0.24
Hidrovias International Finance 5.95% 24/01/2025	1,547,000	1,205	0.14
Hidrovias International Finance 5.95% 24/01/2025 (Private Placement)	3,100,000	2,415	0.29
Stena International 6.125% 01/02/2025	250,000	190	0.02
Rossini FRN 3.875% 30/10/2025	1,171,000	1,048	0.13
Vivion Investments 3.5% 01/11/2025	200,000	166	0.02

	Holding at 30.6.20	Market Value £000's	% of net assets
CPI Property Group 2.75% 12/05/2026	1,342,000	1,253	0.15
Eurofins Scientific 3.75% 17/07/2026	1,396,000	1,339	0.16
Matterhorn Telecom 3.125% 15/09/2026	4,817,000	4,233	0.50
CPI Property Group 2.75% 22/01/2028	3,106,000	2,905	0.35
Logicor Financing 2.75% 15/01/2030	645,000	627	0.08
Eurofins Scientific FRN 2.875% Perpetual	321,000	285	0.03
Eurofins Scientific FRN 4.875% Perpetual	3,274,000	3,067	0.37
Eurofins Scientific FRN 3.25% Perpetual	4,988,000	4,298	0.51
		<b>46,332</b>	<b>5.52</b>

## Mexico 0.97% (0.74%)

Petroleos Mexicanos 8.25% 02/06/2022	4,865,000	4,997	0.60
Petroleos Mexicanos 3.75% 16/11/2025	2,719,000	2,296	0.27
Cemex 7.375% 05/06/2027	530,000	439	0.05
Petroleos Mexicanos 5.35% 12/02/2028	599,000	410	0.05
		<b>8,142</b>	<b>0.97</b>

## Netherlands 10.11% (12.37%)

Teva Pharmaceutical Finance Netherlands II 3.25% 15/04/2022	455,000	413	0.05
IPD 3 4.5% 15/07/2022	4,160,000	3,539	0.42
IPD 3 FRN 4.5% 15/07/2022	3,872,000	3,237	0.39
Teva Pharmaceutical Finance Netherlands II 1.25% 31/03/2023	794,000	673	0.08
Volkswagen Financial Services 2.75% 10/07/2023	3,200,000	3,298	0.39
Teva Pharmaceutical Finance Netherlands III 2.8% 21/07/2023	3,590,000	2,764	0.33

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Promontoria Holding 264 6.75% 15/08/2023	2,614,000	1,896	0.23
Promontoria Holding 264 FRN 6.25% 15/08/2023	1,095,000	791	0.09
NIBC Bank 3.125% 15/11/2023	4,300,000	4,422	0.53
Selecta Group FRN 5.375% 01/02/2024	2,780,000	927	0.11
Teva Pharmaceutical Finance Netherlands III 6% 15/04/2024	5,761,000	4,824	0.57
Teva Pharmaceutical Finance Netherlands II 1.125% 15/10/2024	1,174,000	938	0.11
OI European Group 3.125% 15/11/2024	550,000	494	0.06
Teva Pharmaceutical Finance Netherlands II 4.5% 01/03/2025	2,606,000	2,363	0.28
Schaeffler Finance 3.25% 15/05/2025	2,820,000	2,550	0.30
Kongsberg Actuation Systems 5% 15/07/2025	2,507,000	1,674	0.20
Intertrust Group 3.375% 15/11/2025	2,455,000	2,228	0.26
ZF Europe Finance 2% 23/02/2026	3,400,000	2,870	0.34
Q-Park Holding I FRN 2% 01/03/2026	3,296,000	2,820	0.34
Petrobras Global Finance 8.75% 3/05/2026	2,340,000	2,250	0.27
Mylan 3.95% 15/06/2026	924,000	842	0.10
Trivium Packaging Finance 5.5% 15/08/2026	4,595,000	3,778	0.45
Teva Pharmaceutical Finance Netherlands III 3.15% 01/10/2026	1,149,000	836	0.10
Volkswagen International Finance 3.375% 16/11/2026	700,000	747	0.09
Ziggo 5.5% 15/01/2027	10,029,000	8,276	0.99

	Holding at 30.6.20	Market Value £000's	% of net assets
Petrobras Global Finance 7.375% 17/01/2027	580,000	527	0.06
ING Groep FRN 4.7% 22/03/2028	939,000	805	0.10
Achmea FRN 6% 04/04/2043	7,389,000	7,375	0.88
Koninklijke KPN FRN 7% 28/03/2073	1,800,000	1,577	0.19
Koninklijke KPN FRN 7% 28/03/2073 (Private Placement)	14,937,000	13,087	1.56
Achmea FRN 4.25% Perpetual	1,060,000	1,009	0.12
ELM BV for Firmenich International FRN 3.75% Perpetual	1,092,000	1,023	0.12
		<b>84,853</b>	<b>10.11</b>
<b>Norway 1.08% (1.36%)</b>			
Aker BP 4.75% 15/06/2024	1,696,000	1,392	0.17
Aker BP 5.875% 31/03/2025	5,677,000	4,702	0.56
Aker BP 5.875% 31/03/2025 (Private Placement)	3,570,000	2,957	0.35
		<b>9,051</b>	<b>1.08</b>
<b>Portugal 0.20% (0.00%)</b>			
Galp Energia 2% 15/01/2026	1,800,000	1,650	0.20
		<b>1,650</b>	<b>0.20</b>
<b>Spain 2.72% (2.60%)</b>			
International Consolidated Airlines Group 0.5% 04/07/2023	500,000	363	0.04
NH Hotel Group 3.75% 01/10/2023	10,526,108	8,603	1.03
Banco de Sabadell 1.625% 07/03/2024	5,000,000	4,529	0.54
Grupo Antolin-Irausa 3.25% 30/04/2024	5,300,000	4,223	0.50

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Banco Santander 1.375% 31/07/2024	2,200,000	2,203	0.26
Grifols 1.625% 15/02/2025	1,389,000	1,237	0.15
CaixaBank FRN 3.5% 15/02/2027	1,800,000	1,677	0.20
		<b>22,835</b>	<b>2.72</b>
<b>Supranational 0.53% (0.00%)</b>			
Ardagh Packaging Finance 6% 15/02/2025	600,000	501	0.06
Clarios Global 4.375% 15/05/2026	1,850,000	1,666	0.20
Clarios Global 6.25% 15/05/2026	687,000	577	0.07
Ardagh Packaging Finance 2.125% 15/08/2026	559,000	491	0.06
Ardagh Packaging Finance 4.125% 15/08/2026	1,540,000	1,235	0.14
		<b>4,470</b>	<b>0.53</b>
<b>Sweden 2.80% (2.42%)</b>			
Intrum 2.75% 15/07/2022	7,610,500	6,570	0.78
Polygon 4% 23/02/2023	6,200,000	5,579	0.66
Verisure Holding 3.5% 15/05/2023	1,158,000	1,058	0.13
Heimstaden Bostad 2.125% 05/09/2023	2,323,000	2,170	0.26
Dometic Group 3% 13/09/2023	1,330,000	1,189	0.14
Verisure Holding FRN 5% 15/04/2025	1,162,000	1,062	0.13
Unilabs Subholding 5.75% 15/05/2025	728,000	657	0.08
Heimstaden Bostad 1.125% 21/01/2026	1,077,000	957	0.11
Intrum 3.5% 15/07/2026	2,019,000	1,609	0.19

	Holding at 30.6.20	Market Value £000's	% of net assets
Heimstaden Bostad FRN 3.248% Perpetual	3,072,000	2,674	0.32
		<b>23,525</b>	<b>2.80</b>
<b>Switzerland 0.66% (1.67%)</b>			
Credit Suisse Group FRN 2.125% 12/09/2025	498,000	507	0.06
Aryzta FRN 0% Perpetual	5,140,000	2,490	0.30
Credit Suisse Group FRN 7.125% Perpetual	2,400,000	2,006	0.24
Credit Suisse Group FRN 7.5% Perpetual	217,000	184	0.02
UBS Group FRN 6.875% Perpetual	400,000	330	0.04
		<b>5,517</b>	<b>0.66</b>
<b>United Kingdom 33.63% (36.22%)</b>			
Jaguar Land Rover Automotive 2.75% 24/01/2021	2,360,000	2,307	0.27
Investec 4.5% 05/05/2022	5,141,000	5,306	0.63
FCE Bank 2.727% 03/06/2022	1,450,000	1,402	0.17
Thames Water Kemble Finance 5.875% 15/07/2022	4,155,000	4,179	0.50
IDH Finance 6.25% 15/08/2022	2,002,000	1,722	0.21
GKN Holdings 5.375% 19/09/2022	2,230,000	2,319	0.28
Moto Finance 4.5% 01/10/2022	1,150,000	1,094	0.13
Very Group Funding 7.75% 15/11/2022	985,000	899	0.11
Algeco Global Finance 6.5% 15/02/2023	6,067,000	5,315	0.63
Algeco Global Finance FRN 6.25% 15/02/2023	3,354,000	2,850	0.34
Jaguar Land Rover Automotive 3.875% 01/03/2023	2,301,000	2,007	0.24

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
BUPA Finance 5% 25/04/2023	1,450,000	1,535	0.18
Close Brothers Group 2.75% 26/04/2023	2,397,000	2,459	0.29
Voyage Care BondCo 5.875% 01/05/2023	6,970,000	6,385	0.76
Thames Water Utilities Finance 2.375% 03/05/2023	584,000	574	0.07
William Hill 4.875% 07/09/2023	799,000	812	0.10
Ladbrokes Group Finance 5.125% 08/09/2023	7,380,000	7,524	0.90
Royal Bank of Scotland Group 3.875% 12/09/2023	3,010,000	2,645	0.32
Arqiva Broadcast Finance 6.75% 30/09/2023	8,269,000	8,559	1.02
Miller Homes Group Holdings FRN 5.916% 15/10/2023	4,236,000	4,230	0.50
Jerrold Finco 6.125% 15/01/2024	413,000	395	0.05
Barclays 3.125% 17/01/2024	5,549,000	5,768	0.69
Heathrow Finance 4.75% 01/03/2024	3,511,000	3,524	0.42
Saga 3.375% 12/05/2024	6,197,000	4,721	0.56
Co-Operative Group 5.125% 17/05/2024	1,178,000	1,246	0.15
RSA Insurance Group 1.625% 28/08/2024	1,128,000	1,138	0.14
Arrow Global Finance 5.125% 15/09/2024	4,800,000	4,401	0.52
Viridian Group FinanceCo 4.75% 15/09/2024	5,876,000	5,795	0.69
Miller Homes Group Holdings 5.5% 15/10/2024	3,152,000	3,190	0.38
Liberty Living Finance 2.625% 28/11/2024	1,014,000	1,023	0.12
eG Global Finance 4.375% 07/02/2025	4,461,000	3,745	0.45

	Holding at 30.6.20	Market Value £000's	% of net assets
eG Global Finance 6.75% 07/02/2025	6,529,000	5,195	0.62
Pinnacle Bidco 6.375% 15/02/2025	825,000	697	0.08
TalkTalk Telecom Group 3.875% 20/02/2025	9,274,000	8,940	1.07
Royal Bank of Scotland Group FRN 4.269% 22/03/2025	1,300,000	1,152	0.14
Yorkshire Building Society FRN 3% 18/04/2025	938,000	975	0.12
Barclays FRN 3.932% 07/05/2025	1,045,000	920	0.11
Neptune Energy Bondco 6.625% 15/05/2025	1,142,000	810	0.10
Neptune Energy Bondco 6.625% 15/05/2025 (Private Placement)	532,000	377	0.04
Virgin Money UK FRN 3.125% 22/06/2025	2,140,000	2,096	0.25
Synlab Bondco FRN 4.75% 01/07/2025	3,600,000	3,282	0.39
Synthomer 3.875% 01/07/2025	1,018,000	941	0.11
Annington Funding 2.646% 12/07/2025	3,095,000	3,282	0.39
Tesco Personal Finance Group 3.5% 25/07/2025	1,893,000	1,977	0.24
Next Group 3% 26/08/2025	799,000	797	0.09
Pinewood Finance 3.25% 30/09/2025	11,686,000	11,511	1.37
eG Global Finance 6.25% 30/10/2025	391,000	346	0.04
eG Global Finance 8.5% 30/10/2025	805,000	672	0.08
INEOS Finance 2.125% 15/11/2025	500,000	434	0.05
Phoenix Group Holdings 6.625% 18/12/2025	2,232,000	2,564	0.31
Jerrold Finco 4.875% 15/01/2026	5,896,000	5,367	0.64

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Virgin Money UK FRN 5% 09/02/2026	6,341,000	6,144	0.73
Anglian Water Osprey Financing 4% 08/03/2026	970,000	951	0.11
INEOS Finance 2.875% 01/05/2026	1,394,000	1,213	0.14
William Hill 4.75% 01/05/2026	4,616,000	4,648	0.55
TSB Banking Group FRN 5.75% 06/05/2026	4,170,000	4,163	0.50
Merlin Entertainments 5.75% 15/06/2026	15,747,000	12,361	1.47
Virgin Money UK FRN 4% 25/09/2026	4,564,000	4,630	0.55
ITV 1.375% 26/09/2026	2,988,000	2,625	0.31
BUPA Finance 5% 08/12/2026	800,000	878	0.10
Intermediate Capital Group 1.625% 17/02/2027	2,215,000	1,828	0.22
Virgin Media Secured Finance 5% 15/04/2027	600,000	623	0.07
Phoenix Group Holdings 5.375% 06/07/2027	933,000	800	0.10
Sainsbury's Bank FRN 6% 23/11/2027	4,916,000	4,941	0.59
Quilter FRN 4.478% 28/02/2028	10,832,000	10,818	1.29
Intu SGS Finance REIT 3.875% 17/03/2028	2,003,000	1,090	0.13
Grainger 3.375% 24/04/2028	2,065,000	2,169	0.26
Metro Bank FRN 5.5% 26/06/2028	1,986,000	1,070	0.13
Investec Bank FRN 4.25% 24/07/2028	1,047,000	1,005	0.12
GlaxoSmithKline Capital 1.25% 12/10/2028	2,000,000	2,018	0.24
RI Finance Bonds No. 3 6.125% 13/11/2028	2,045,000	2,405	0.29

	Holding at 30.6.20	Market Value £000's	% of net assets
Reassure Group 5.867% 13/06/2029	2,488,000	2,662	0.32
Liberty Living Finance 3.375% 28/11/2029	689,000	682	0.08
Tesco Corporate Treasury Services 2.75% 27/04/2030	724,000	768	0.09
Pearson Funding 3.75% 04/06/2030	1,357,000	1,434	0.17
Grainger 3% 03/07/2030	2,190,000	2,198	0.26
Phoenix Group Holdings 5.625% 28/04/2031	1,586,000	1,701	0.20
Pension Insurance 4.625% 07/05/2031	700,000	728	0.09
Direct Line Insurance Group 4% 05/06/2032	887,000	911	0.11
Telereal Securitisation FRN 4.09% 10/12/2033	499,000	510	0.06
Telereal Securitisation FRN 0.937% 10/12/2033	2,050,000	1,650	0.20
BUPA Finance 4.125% 14/06/2035	680,000	682	0.08
Aviva FRN 6.125% 14/11/2036	2,300,000	2,709	0.32
Aviva FRN 6.625% 03/06/2041	2,728,000	2,834	0.34
RL Finance Bonds No. 2 FRN 6.125% 30/11/2043	8,487,000	9,325	1.11
M&G FRN 3.875% 20/07/2049	692,000	690	0.08
Aviva FRN 4.375% 12/09/2049	800,000	859	0.10
Aviva FRN 5.125% 04/06/2050	900,000	1,012	0.12
Legal & General Group FRN 4.5% 01/11/2050	2,000,000	2,056	0.24
SSE FRN 3.625% 16/09/2077	3,832,000	3,839	0.46
SSE FRN 4.75% 16/09/2077	3,516,000	2,894	0.34
Vodafone Group FRN 6.25% 03/10/2078	4,900,000	4,280	0.51

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
BP Capital Markets FRN 4.25% Perpetual	3,890,000	3,915	0.47
BP Capital Markets FRN 4.375% Perpetual	1,713,000	1,417	0.17
J Sainsbury FRN 6.5% Perpetual	176,000	176	0.02
Lloyds Banking Group FRN 7.875% Perpetual	2,455,000	2,720	0.32
Royal Bank of Scotland Group FRN 2.628% Perpetual	8,700,000	6,465	0.78
SSE FRN 0% Perpetual	2,357,000	2,356	0.28
SSE FRN 3.875% Perpetual	2,900,000	2,898	0.35
		<b>282,155</b>	<b>33.63</b>
<b>United States of America 7.01% (6.60%)</b>			
Reynolds Group Issuer FRN 4.719% 15/07/2021	2,090,000	1,691	0.20
Mylan 3.125% 15/01/2023	2,847,000	2,439	0.29
Community Health Systems 6.25% 31/03/2023	1,100,000	844	0.10
Dell International 5.45% 15/06/2023	5,650,000	5,037	0.60
MPT Operating Partnership REIT 2.55% 05/12/2023	4,899,000	4,883	0.58
MPT Operating Partnership REIT 6.375% 01/03/2024	2,052,000	1,723	0.21
Ford Motor Credit 5.584% 18/03/2024	1,350,000	1,111	0.13
Mauser Packaging Solutions Holding 4.75% 15/04/2024	4,086,000	3,621	0.43
Tenet Healthcare 4.625% 15/07/2024	1,694,000	1,353	0.16
General Motors Financial 2.25% 06/09/2024	800,000	766	0.09
Ford Motor Credit 4.535% 06/03/2025	3,784,000	3,565	0.43
BMW US Capital 3.9% 09/04/2025	2,700,000	2,442	0.29

	Holding at 30.6.20	Market Value £000's	% of net assets
T-Mobile USA 3.5% 15/04/2025	1,127,000	1,000	0.12
Altria Group 2.35% 06/05/2025	3,125,000	2,676	0.32
Netflix 3% 15/06/2025	1,526,000	1,434	0.17
Netflix 3.625% 15/06/2025	934,000	767	0.09
Dell International 5.85% 15/07/2025	805,000	754	0.09
BAT Capital 2.125% 15/08/2025	1,817,000	1,865	0.22
Refinitiv US Holdings 4.5% 15/05/2026	1,747,000	1,661	0.20
Refinitiv US Holdings 6.25% 15/05/2026	874,000	755	0.09
MPT Operating Partnership REIT 5.25% 01/08/2026	4,013,000	3,393	0.40
Select Medical 6.25% 15/08/2026	890,000	733	0.09
CyrusOne REIT 1.45% 22/01/2027	477,000	417	0.05
Kraft Heinz Foods 3.875% 15/05/2027	7,856,000	6,691	0.80
Sotheby's 7.375% 1 5/10/2027	3,340,000	2,572	0.31
MPT Operating Partnership REIT 3.692% 05/06/2028	2,467,000	2,472	0.30
Kraft Heinz Foods 4.25% 01/03/2031	497,000	429	0.05
Energy Transfer Operating FRN 6.25% Perpetual	2,694,000	1,685	0.20
		<b>58,779</b>	<b>7.01</b>
<b>Corporate Bonds total</b>			
		<b>805,500</b>	<b>96.00</b>
<b>Convertible Bonds 1.38% (0.34%)</b>			
<b>Jersey 0.03% (0.30%)</b>			
Intu Jersey 2 REIT 2.88% 01/11/2022	3,300,000	247	0.03
		<b>247</b>	<b>0.03</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Luxembourg 0.19% (0.00%)</b>			
ADO Properties 1.25% 23/11/2023	1,900,000	1,619	0.19
		<b>1,619</b>	<b>0.19</b>
<b>Spain 0.02% (0.04%)</b>			
International Consolidated Airlines Group 0.63% 17/11/2022	200,000	148	0.02
		<b>148</b>	<b>0.02</b>
<b>United Kingdom 1.14% (0.00%)</b>			
J Sainsbury FRN 2.88% Perpetual	9,600,000	9,590	1.14
		<b>9,590</b>	<b>1.14</b>
<b>Convertible Bonds total</b>		<b>11,604</b>	<b>1.38</b>
<b>Swaps (0.02)% ((0.02)%)</b>			
Credit Default Swap Morgan Stanley Buy Cable & Wireless 8.625% 25/03/2019 20/09/2020	EUR 2,000,000	(20)	0.00
Credit Default Swap J.P. Morgan Buy Jaguar Land Rover Automotive 5% 15/02/2022 20/12/2020	EUR 933,864	1	0.00
Credit Default Swap Barclays Buy Synlab Unsecured Bondco 8.25% 01/07/2023 20/12/2020	EUR 1,000,000	(20)	0.00
Credit Default Swap Barclays Buy Jaguar Land Rover Automotive 5% 15/02/2022 20/06/2021	EUR 935,000	19	0.00
Credit Default Swap J.P. Morgan Buy Jaguar Land Rover Automotive 5% 15/02/2022 20/12/2021	EUR 933,864	30	0.00

	Holding at 30.6.20	Market Value £000's	% of net assets
Credit Default Swap Barclays Buy United Mexican States 4.15% 28/03/2027 20/06/2025	USD 1,570,072	34	0.00
Credit Default Swap Goldman Sachs Buy United Mexican States 4.15% 28/03/2027 20/06/2025	USD 453,646	10	0.00
Credit Default Swap J.P. Morgan Buy United Mexican States 4.15% 28/03/2027 20/06/2025	USD 1,814,585	39	0.01
Credit Default Swap BNP Paribas Buy Enel 5.25% 20/05/2024 20/06/2025	EUR 1,340,087	(21)	0.00
Credit Default Swap BNP Paribas Sell Jaguar Land Rover Automotive 5% 15/02/2022 20/06/2021	EUR 76,805	(2)	0.00
Credit Default Swap Citigroup Sell Jaguar Land Rover Automotive 5% 15/02/2022 20/06/2021	EUR 1,000,000	(21)	0.00
Credit Default Swap J.P. Morgan Sell Deutsche Bank 0% 07/12/2020 20/12/2021	EUR 1,560,000	(4)	0.00
Credit Default Swap Citigroup Sell Galp Energia 4.125% 25/01/2019 20/12/2021	EUR 666,667	38	0.00
Credit Default Swap Citigroup Sell Rolls-Royce 6.75% 30/04/2019 20/12/2021	EUR 1,400,000	(50)	(0.01)
Credit Default Swap J.P. Morgan Sell Vale Overseas 8.25% 17/01/2034 20/12/2021	USD 2,000,000	(13)	0.00



# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Credit Default Swap Barclays Sell Novafives 4.5% 30/06/2021 20/06/2023	EUR 650,000	(120)	(0.01)
Credit Default Swap Barclays Sell Jaguar Land Rover Automotive 5% 15/02/2022 20/06/2023	EUR 826,667	(60)	(0.01)
Credit Default Swap Credit Suisse Sell Imperit 1.375% 27/01/2025 20/06/2024	EUR 2,294,488	22	0.00
Credit Default Swap Barclays Sell Casino Guichard Perrachon 1.865% 13/06/2022 20/06/2024	EUR 270,479	(13)	0.00
Credit Default Swap Credit Suisse Sell British Telecommunications 5.75% 07/12/2028 20/06/2024	EUR 2,750,908	15	0.00
Credit Default Swap BNP Paribas Sell Imperit 1.375% 27/01/2025 2 0/12/2024	EUR 1,148,114	9	0.00
Credit Default Swap J.P. Morgan Sell Cellnex Telecom 3.125% 27/07/2022 20/12/2024	EUR 552,070	84	0.01
Credit Default Swap BNP Paribas Sell Grifols 3.2% 01/05/2025 20/12/2024	EUR 1,392,823	163	0.02
Credit Default Swap Credit Suisse Sell Grifols 3.2% 01/05/2025 20/12/2024	EUR 2,321,372	271	0.03
Credit Default Swap Merrill Lynch Sell British Telecommunications 5.75% 07/12/2028 20/12/2024	EUR 1,000,000	3	0.00

	Holding at 30.6.20	Market Value £000's	% of net assets
Interest Rate Swap Morgan Stanley Pay fixed 0.544% Receive floating SONIA 1 day 05/02/2025	GBP 8,000,000	(208)	(0.02)
Interest Rate Swap Morgan Stanley Pay fixed 0.545% Receive floating SONIA 1 day 14/03/2025	GBP 12,700,000	(336)	(0.04)
<b>Swaps total</b>		<b>(150)</b>	<b>(0.02)</b>
<b>Forward Foreign Currency Contracts (0.79)% (0.72%)</b>			
Buy EUR 2,790,000 Sell GBP 2,528,502 27/07/2020	EUR 2,790,000	21	0.00
Buy EUR 26,766,012 Sell GBP 24,185,557 29/07/2020	EUR 26,766,012	277	0.03
Buy EUR 13,054,386 Sell GBP 11,956,223 29/07/2020	EUR 13,054,386	(25)	0.00
Buy EUR 19,931,938 Sell GBP 17,384,590 27/08/2020	EUR 19,931,938	841	0.10
Buy EUR 9,200,000 Sell GBP 8,233,112 24/09/2020	EUR 9,200,000	184	0.02
Buy USD 2,349,000 Sell GBP 1,895,943 27/07/2020	USD 2,349,000	18	0.00
Buy USD 91,146,284 Sell GBP 72,957,136 29/07/2020	USD 91,146,284	1,316	0.16
Sell CHF 2,749,558 Buy GBP 2,309,049 29/07/2020	CHF (2,749,558)	(50)	(0.01)
Sell EUR 2,790,000 Buy GBP 2,500,939 27/07/2020	EUR (2,790,000)	(49)	(0.01)
Sell EUR 68,088,709 Buy GBP 64,137,058 29/07/2020	EUR (68,088,709)	1,907	0.23
Sell EUR 31,607,599 Buy GBP 28,358,166 29/07/2020	EUR (31,607,599)	(530)	(0.06)
Sell EUR 104,831,678 Buy GBP 92,115,966 27/08/2020	EUR (104,831,678)	(3,742)	(0.45)

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Sell EUR 94,100,492 Buy GBP 84,389,667 24/09/2020	EUR (94,100,492)	(1,697)	(0.20)
Sell EUR 87,690,000 Buy GBP 78,691,320 28/10/2020	EUR (87,690,000)	(1,585)	(0.19)
Sell USD 2,349,000 Buy GBP 1,875,692 27/07/2020	USD (2,349,000)	(38)	0.00
Sell USD 128,782,837 Buy GBP 105,057,502 29/07/2020	USD (128,782,837)	115	0.01
Sell USD 1,713,000 Buy GBP 1,367,576 29/07/2020	USD (1,713,000)	(28)	0.00
Sell USD 69,300,000 Buy GBP 55,263,859 27/08/2020	USD (69,300,000)	(1,198)	(0.14)
Sell USD 69,300,000 Buy GBP 55,255,828 24/09/2020	USD (69,300,000)	(1,198)	(0.14)
Sell USD 71,649,000 Buy GBP 57,139,315 28/10/2020	USD (71,649,000)	(1,214)	(0.14)
<b>Forward Foreign Currency Contracts total</b>		<b>(6,675)</b>	<b>(0.79)</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Futures (0.01)% (0.02%)</b>			
Euro-Bobl September 2020	(87)	(42)	(0.01)
Long Gilt September 2020	(106)	(27)	0.00
US 5 Year Note September 2020	(3)	(1)	0.00
<b>Futures total</b>		<b>(70)</b>	<b>(0.01)</b>
Portfolio of investments		<b>811,886</b>	<b>96.76</b>
Net other assets		27,200	3.24
<b>Net assets attributable to shareholders</b>		<b>839,086</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(61,443)		38,046
Revenue	22,900		24,496	
Expenses	(3,195)		(3,611)	
Net revenue before taxation	<b>19,705</b>		<b>20,885</b>	
Taxation	(17)		0	
Net revenue after taxation		<b>19,688</b>		<b>20,885</b>
<b>Total return before distributions</b>		<b>(41,755)</b>		<b>58,931</b>
Distributions		(22,867)		(24,440)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(64,622)</b>		<b>34,491</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		1,061,162 <sup>^</sup>		1,089,031
Amounts receivable on issue of shares	137,636		84,630	
Amounts payable on cancellation of shares	(304,915)		(70,367)	
		<b>(167,279)</b>		<b>14,263</b>
Dilution adjustment		2,323		0
Change in net assets attributable to shareholders from investment activities		(64,622)		34,491
Retained distribution on Accumulation shares		7,502		6,955
Unclaimed distributions		0		1
<b>Closing net assets attributable to shareholders</b>		<b>839,086</b>		<b>1,144,741<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	824,198	1,054,309
<b>Current assets</b>		
Debtors	13,465	13,892
Cash and bank balances	36,251	14,239
<b>Total assets</b>	<b>873,914</b>	<b>1,082,440</b>
<b>Liabilities</b>		
Investment liabilities	(12,312)	(2,158)
<b>Creditors</b>		
Bank overdrafts	(1,466)	(1,129)
Distributions payable	(12,058)	(16,793)
Other creditors	(8,992)	(1,198)
<b>Total liabilities</b>	<b>(34,828)</b>	<b>(21,278)</b>
<b>Net assets attributable to shareholders</b>	<b>839,086</b>	<b>1,061,162</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder Strategic Credit Fund are disclosed on page 8.

# 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 period ended 30 June 2020.

# Schroder European Alpha Income Fund

## Fund Information

### Investment objective and policy

The Schroder European Alpha Income Fund (the 'Fund') aims to provide income and capital growth in excess of the FTSE World Series Europe ex UK (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of European companies, excluding the UK.

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of European countries, excluding the UK. The Fund typically holds 30 to 50 companies.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

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

The Fund may use derivatives with the aim reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

### Fund characteristics

The Fund's performance should be assessed against the target benchmark, being to exceed the FTSE World Series Europe ex UK (Gross Total Return) index, and compared against the Investment Association Europe ex UK sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	416,181	867,886
Total sales	897,866	1,153,515

# Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
A Income shares	149,362	144.36	185.66
A Accumulation shares	4,768,576	190.86	241.38
C Income shares	95,504	150.57	193.06
C Accumulation shares	170,617	197.34	248.80
GBP Hedged C Income shares	63,306	143.04	197.60
GBP Hedged S Income shares	297,782	143.29	199.67
GBP Hedged Z Income shares	4,579,279	143.07	197.75
L Income shares	36,521,193	54.23	69.46
L Accumulation shares	40,934,664	67.47	84.98
S Income shares	6,970,506	52.04	66.56
S Accumulation shares	184,594	200.37	252.00
Z Income shares	26,516,318	153.57	196.78
Z Accumulation shares	21,493,325	202.84	255.58

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.



# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 20.76%. In the same period, the FTSE<sup>1</sup> World Series European ex UK Index generated a negative total return of 1.92%<sup>2</sup> in sterling terms.

The six-month period saw a change of portfolio manager. James Sym left Schroders in March and was replaced by Martin Skanberg. Since taking over responsibility, Martin has been transitioning the fund to express his approach which is centred around constructing a portfolio diversified by style, sector and market cap.

In terms of markets, the main focus has been the outbreak of Covid-19 and efforts to contain it. Equities fell sharply in the middle of the period but then staged a recovery as governments and central banks took measures to support the economy. Against this volatile backdrop, the fund underperformed the index. Underperformance was concentrated in the first part of the period, with the repositioned fund going on to outperform the index in Q2. The main detractors from relative returns overall were the overweight position in banks and oil services company Borr Drilling. The position in Borr Drilling was sold in March. Exposure to financials was also reduced and the fund is now underweight relative to the index. The fund's exposure to healthcare increased during the latter part of the period and pharmaceutical group Sanofi was the main positive contributor.

The market has moved very swiftly to price the recent improvement in economic activity, with an extremely strong rebound in the second quarter of 2020. Support from central banks means there is ample liquidity in the financial system and this is finding its way into share prices. Cyclical and some value parts of the market may outperform if equity markets continue to rise. We have some exposure to these while focusing on balance in the portfolio overall.

## Co-Fund Manager:

### Martin Skanberg



Martin joined Schroders in 2004 as an Industrials analyst, before taking on portfolio management responsibilities in 2006 and is now a fund manager for the Schroder European Fund and Schroder ISF EURO Equity

Investment career commenced in 1994 when he joined SEB Asset Management as an investment analyst for Nordic Industrials and Basic Materials. In 1999 he became Head of European Research

Also previously worked at American Express Asset Management as a senior investment analyst responsible for Industrials and Telecommunications

Masters in Financial Economics

## Co-Fund Manager:

### James Sym



James Sym joined Schroders in July 2013 following the acquisition of Cazenove Capital

James is a member of the Pan-European Equity team at Schroders

He manages the Schroder European Alpha Income Fund and the Schroder European Alpha Plus Fund

James graduated from St John's College, Cambridge with a degree in Natural Sciences and is a CFA Charterholder

James has 12 years' investment experience

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<sup>2</sup> Source: Thomson Reuters Datastream.

**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 was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

There is a difference between share classes caused by the technical nature of the calculation of the risk and reward indicator.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 95.48% (99.17%)</b>			
<b>Austria 0.00% (1.17%)</b>			

<b>Belgium 1.99% (2.86%)</b>			
UCB	32,180	3,031	1.99
		<b>3,031</b>	<b>1.99</b>

<b>Bermuda 0.00% (4.96%)</b>			
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<b>Denmark 0.00% (0.73%)</b>			
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<b>Finland 9.51% (3.11%)</b>			
Neste	195,319	6,165	4.04
Nokia	746,008	2,646	1.73
Nordea Bank	449,108	2,516	1.65
Sampo A	114,421	3,191	2.09
		<b>14,518</b>	<b>9.51</b>

<b>France 18.25% (26.22%)</b>			
Air Liquide	42,545	4,983	3.27
Alstom	68,695	2,599	1.70
AXA	313,853	5,333	3.49
Bouygues	16,102	447	0.29
Carrefour	218,824	2,750	1.80
Danone	67,731	3,809	2.50
Ingenico Group	6,101	791	0.52
Publicis Groupe	133,387	3,509	2.30
Thales	55,365	3,636	2.38
		<b>27,857</b>	<b>18.25</b>

<b>Germany 33.16% (15.84%)</b>			
Bayer	71,554	4,331	2.84
Beiersdorf	51,455	4,762	3.12
Brenntag	89,845	3,841	2.52
Deutsche Boerse	30,045	4,412	2.89
Deutsche Wohnen	126,751	4,626	3.03

	Holding at 30.6.20	Market Value £000's	% of net assets
Evonik Industries	90,440	1,871	1.23
Fresenius	149,543	6,014	3.94
Merck	59,954	5,663	3.71
Porsche Automobil Holding Preference	131,870	6,163	4.04
RWE	227,158	6,487	4.25
SAP	5,162	586	0.38
Siemens	19,321	1,852	1.21
		<b>50,608</b>	<b>33.16</b>

<b>Greece 1.93% (0.00%)</b>			
Hellenic Telecommunications Organization	268,907	2,950	1.93
		<b>2,950</b>	<b>1.93</b>

<b>Ireland 0.00% (2.06%)</b>			
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<b>Italy 0.00% (1.22%)</b>			
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<b>Jersey 0.00% (1.50%)</b>			
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<b>Luxembourg 0.00% (0.95%)</b>			
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<b>Netherlands 11.70% (15.12%)</b>			
ASM International	44,992	5,637	3.69
Koninklijke DSM	17,703	1,993	1.31
Prosus	73,245	5,528	3.62
STMicroelectronics	212,178	4,701	3.08
		<b>17,859</b>	<b>11.70</b>

<b>Norway 0.00% (3.81%)</b>			
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<b>Spain 0.59% (10.39%)</b>			
Iberdrola	95,724	902	0.59
		<b>902</b>	<b>0.59</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Sweden 13.27% (3.97%)</b>			
Atlas Copco B	35,916	1,079	0.71
BillerudKorsnas	389,180	4,518	2.96
Getinge B	230,536	3,464	2.27
Industrivarden C	95,782	1,758	1.15
Saab B	165,372	3,358	2.20
SKF B	217,164	3,282	2.15
Svenska Handelsbanken A	362,222	2,785	1.83
		<b>20,244</b>	<b>13.27</b>

<b>Switzerland 5.08% (4.42%)</b>			
Alcon	114,788	5,350	3.51
Julius Baer Group	28,056	953	0.63
Roche Holding	5,120	1,441	0.94
		<b>7,744</b>	<b>5.08</b>

<b>United Kingdom 0.00% (0.84%)</b>			
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<b>Equities total</b>		<b>145,713</b>	<b>95.48</b>
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<b>Forward Foreign Currency Contracts (0.05)% (0.02%)</b>			
Buy CHF 74,045 Sell GBP 63,067 31/07/2020	CHF 74,045	0	0.00
Buy CHF 19 Sell GBP 16 31/07/2020	CHF 19	0	0.00
Buy EUR 611,799 Sell GBP 553,807 31/07/2020	EUR 611,799	5	0.00
Buy EUR 267 Sell GBP 245 31/07/2020	EUR 267	0	0.00
Buy SEK 1,275,597 Sell GBP 110,287 31/07/2020	SEK 1,275,597	1	0.00

	Holding at 30.6.20	Market Value £000's	% of net assets
Buy SEK 127,485 Sell GBP 11,141 31/07/2020	SEK 127,485	0	0.00
Sell CHF 509,696 Buy GBP 432,829 31/07/2020	CHF (509,696)	(4)	0.00
Sell EUR 6,922,818 Buy GBP 6,262,506 31/07/2020	EUR (6,922,818)	(65)	(0.04)
Sell SEK 14,067,088 Buy GBP 1,210,755 31/07/2020	SEK (14,067,088)	(13)	(0.01)
<b>Forward Foreign Currency Contracts total</b>		<b>(76)</b>	<b>(0.05)</b>

Portfolio of investments	<b>145,637</b>	<b>95.43</b>
Net other assets	6,971	4.57
<b>Net assets attributable to shareholders</b>	<b>152,608</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(223,916)		109,386
Revenue	5,243		25,759	
Expenses	(1,874)		(4,201)	
Net revenue before taxation	<b>3,369</b>		<b>21,558</b>	
Taxation	(62)		(2,924)	
Net revenue after taxation		<b>3,307</b>		<b>18,634</b>
<b>Total return before distributions</b>		<b>(220,609)</b>		<b>128,020</b>
Distributions		(4,908)		(10,089)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(225,517)</b>		<b>117,931</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		853,513 <sup>^</sup>		1,069,097
Amounts receivable on issue of shares	11,157		34,909	
Amounts payable on cancellation of shares	(488,569)		(282,220)	
		<b>(477,412)</b>		<b>(247,311)</b>
Dilution adjustment		641		72
Change in net assets attributable to shareholders from investment activities		(225,517)		117,931
Retained distribution on Accumulation shares		1,383		1,604
<b>Closing net assets attributable to shareholders</b>		<b>152,608</b>		<b>941,393<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	145,719	846,652
<b>Current assets</b>		
Debtors	6,723	4,572
Cash and bank balances	5,101	12,876
<b>Total assets</b>	<b>157,543</b>	<b>864,100</b>
<b>Liabilities</b>		
Investment liabilities	(82)	(42)
<b>Creditors</b>		
Bank overdrafts	(256)	0
Distributions payable	(918)	(9,277)
Other creditors	(3,679)	(1,268)
<b>Total liabilities</b>	<b>(4,935)</b>	<b>(10,587)</b>
<b>Net assets attributable to shareholders</b>	<b>152,608</b>	<b>853,513</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder European Alpha Income Fund are disclosed on page 8.

# Schroder Global Recovery Fund

## Fund Information

### Investment objective and policy

The Schroder Global Recovery Fund (the 'Fund') aims to provide capital growth by investing in equity and equity related securities of companies worldwide which are considered to be undervalued relative to their long term earnings potential.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of companies worldwide that have suffered a set back in either share price or profitability, but where long term prospects are believed to be good.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

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

The Fund may use derivative instruments for investment purposes as well as for efficient portfolio management (for more information please refer to Appendix III. Section 10: Derivatives and Forwards).

### Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI World (Net Total Return) index and the Investment Association Global Equity Income sector average return. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	123,318	126,982
Total sales	70,073	70,955

## Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
L Income shares	1,887,987	58.53	75.26
L Accumulation shares	101,131,986	63.20	81.29
S Income shares	138,362,116	45.36	58.23
X Accumulation shares	81,560,276	41.96	53.74
Z Income shares	13,688,979	58.46	75.19
Z Accumulation shares	118,556,000	63.00	81.05

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.



# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 22.25%. In comparison, the MSCI World Index generated a net return of 1.03%<sup>1</sup> in sterling terms and the Investment Association Global Equity Income Sector Average generated a negative total return of 6.23%<sup>1</sup>.

The portfolio underperformed an irrationally ebullient equity market over the period under review. Standard Chartered was one of the fund's largest detractors. The company is a large position in the portfolio and its share price tends to be fairly volatile. We believe volatility and risk are very different things however, and believe the latter should be based around the likelihood of a permanent loss in capital, not sentiment. We are still supportive owing to the view that the company will be able to generate strong loan growth from its emerging market base, alongside a reasonable capital position, and a low valuation. PostNL was a stronger position, reporting a significant improvement in operations which it expects to positively impact its forward earnings and free cash flow. We built a new position in Hankook Tire & Technology. We expect tires to be one of the most resilient parts of the global automotive value chain over the long-term. Hankook trades on a compelling multiple, indicating what we believe to be unwarranted market scepticism over its cyclical exposure. Another new position was Halliburton, one of the world's largest oil services businesses involved across the lifecycle of oil fields. Diamond Offshore Drilling entered administration. Unfortunately, Covid-19 hit the industry hard and Diamond Offshore saw multiple contract cancellations and a low probability of rolling over contracts maturing during the second half of the year. Offshore drilling requires oil prices to be at a level much higher than where they stand at present in order for the economics of the business to work. Insolvency is rare, but it does happen, and as deep-value investors while we do everything that we can to avoid it we cannot mitigate that risk entirely. Diamond Offshore was at the farthest end of our risk tolerance.

The fund comprises undervalued, unloved businesses, many of which have had near-death experiences in the recent past and are therefore prudently managed and well-placed to weather any market or economic disruption. We focus on the fundamentals rather than the short-term fears and market "froth". In the long run, this is the surest way to safeguard investors' capital and to ensure that full advantage can be taken when margin of safety - and hence investment opportunity - becomes abundant once again.

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:

Nick Kirrage



Co-manager of UK Income, UK Recovery, Global Recovery and Global Income strategies

Founding member of the Global Value Team in 2013

Investment career commenced in 2001 within Schroders' Pan European research team

Previously analyst responsible for a number of sectors including Transport, Metals & Mining and Aerospace and Defence sectors

CFA Charterholder

Degree in Aeronautical Engineering, Bristol University

## Co-Fund Manager:

Simon Adler



Co-manager of Global Recovery and Global Income strategies

Joined the Global Value Team in July 2016

Investment career commenced in 2008, at Schroders as a UK equity analyst

Previously sector analyst responsible for Chemicals, Media, Transport, Travel & Leisure and Utilities

Global Sustainability Specialist in Global Equity team until 2016

CFA Charterholder

MA in Politics, Edinburgh University

## Co-Fund Manager:

Andrew Lyddon



Co-manager of European Income, European Recovery and Global Recovery strategies, with 15 years' investment experience

Past Specialist Value UK equities fund manager

UK equity analyst responsible for Telecommunications and Support Services

Joined Schroders in October 2005 as an Equity Analyst with the Pan European Industrials desk

CFA Charterholder

MSc in Intellectual Property Law, Queen Mary College

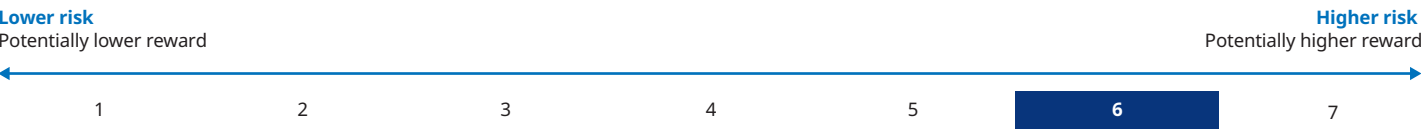
Degree in Chemistry, Bath University

<sup>1</sup> Source: Thomson Reuters Datastream.

**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 was calculated using simulated performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 93.08% (92.55%)</b>			
<b>Australia 4.08% (3.75%)</b>			
South32	8,796,926	9,979	4.08
		<b>9,979</b>	<b>4.08</b>
<b>Belgium 0.65% (1.70%)</b>			
Orange Belgium	119,159	1,578	0.65
		<b>1,578</b>	<b>0.65</b>
<b>Canada 1.82% (1.34%)</b>			
Teck Resources B	533,688	4,456	1.82
		<b>4,456</b>	<b>1.82</b>
<b>Croatia 0.00% (0.76%)</b>			
<b>Denmark 1.20% (2.09%)</b>			
Drilling Co. of 1972	172,918	2,940	1.20
		<b>2,940</b>	<b>1.20</b>
<b>France 5.20% (5.72%)</b>			
Publicis Groupe	99,455	2,617	1.07
Sanofi	85,956	7,117	2.91
Television Francaise 1	678,478	2,983	1.22
		<b>12,717</b>	<b>5.20</b>
<b>Germany 3.30% (1.09%)</b>			
Continental	50,569	4,036	1.65
Schaeffler Preference	662,447	4,030	1.65
		<b>8,066</b>	<b>3.30</b>
<b>Greece 0.00% (0.03%)</b>			
<b>Italy 6.73% (7.73%)</b>			
Eni	1,010,107	7,852	3.21
Intesa Sanpaolo	1,724,809	2,682	1.10

	Holding at 30.6.20	Market Value £000's	% of net assets
UniCredit	791,168	5,936	2.42
		<b>16,470</b>	<b>6.73</b>
<b>Japan 8.33% (2.47%)</b>			
Citizen Watch	820,000	2,164	0.88
DeNA	217,600	2,212	0.90
Miraca Holdings	232,900	4,465	1.83
NHK Spring	626,900	3,300	1.35
Nippon Television Holdings	302,900	2,671	1.09
Tokai Rika	202,900	2,387	0.98
TV Asahi Holdings	267,500	3,176	1.30
		<b>20,375</b>	<b>8.33</b>
<b>Jersey 1.00% (0.00%)</b>			
WPP	387,414	2,442	1.00
		<b>2,442</b>	<b>1.00</b>
<b>Luxembourg 1.45% (0.00%)</b>			
RTL Group	137,925	3,556	1.45
		<b>3,556</b>	<b>1.45</b>
<b>Netherlands 4.62% (4.27%)</b>			
ING Groep	916,232	5,187	2.12
PostNL	3,507,514	6,120	2.50
		<b>11,307</b>	<b>4.62</b>
<b>Norway 0.91% (0.00%)</b>			
TGS NOPEC Geophysical	190,590	2,224	0.91
		<b>2,224</b>	<b>0.91</b>
<b>Poland 0.00% (0.79%)</b>			
<b>Russia 6.63% (5.41%)</b>			
Alrosa	6,629,717	4,907	2.00
Gazprom ADR	1,045,428	4,598	1.88

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
LUKOIL ADR	111,123	6,725	2.75
		<b>16,230</b>	<b>6.63</b>
<b>Singapore 1.02% (0.00%)</b>			
Genting Singapore	5,616,000	2,496	1.02
		<b>2,496</b>	<b>1.02</b>
<b>South Africa 1.00% (0.00%)</b>			
Tiger Brands	293,014	2,457	1.00
		<b>2,457</b>	<b>1.00</b>
<b>South Korea 5.22% (5.73%)</b>			
Hankook Tire & Technology	235,060	3,920	1.60
Hyundai Mobis	39,668	5,160	2.11
Kia Motors	170,368	3,698	1.51
		<b>12,778</b>	<b>5.22</b>
<b>Spain 2.46% (2.87%)</b>			
Repsol	802,228	5,705	2.33
Repsol Rights 06/07/2020	802,228	316	0.13
		<b>6,021</b>	<b>2.46</b>
<b>Switzerland 3.01% (2.09%)</b>			
GAM Holding	2,640,224	4,921	2.01
Swatch Group	15,149	2,455	1.00
		<b>7,376</b>	<b>3.01</b>
<b>Taiwan 1.48% (2.69%)</b>			
Asustek Computer	606,000	3,615	1.48
		<b>3,615</b>	<b>1.48</b>
<b>United Arab Emirates 0.00% (0.89%)</b>			

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>United Kingdom 20.44% (24.66%)</b>			
Anglo American	648,606	12,125	4.96
Barclays	5,012,386	5,734	2.34
Centrica	14,764,914	5,690	2.33
Imperial Brands	155,164	2,387	0.98
Royal Bank of Scotland Group	5,836,842	7,095	2.90
Royal Mail	1,719,090	3,133	1.28
Standard Chartered	1,604,219	7,059	2.88
Tesco	1,989,734	4,539	1.85
Wm Morrison Supermarkets	1,182,994	2,253	0.92
		<b>50,015</b>	<b>20.44</b>
<b>United States of America 12.53% (16.47%)</b>			
American International Group	127,345	3,201	1.31
Cisco Systems	60,451	2,276	0.93
Dillard's A	88,523	1,799	0.73
Halliburton	364,054	3,733	1.53
HollyFrontier	135,372	3,097	1.27
HP	426,951	6,000	2.45
Intel	60,144	2,899	1.18
Omnicom Group	52,539	2,318	0.95
Tapestry	208,627	2,235	0.91
Waddell & Reed Financial A	247,297	3,103	1.27
		<b>30,661</b>	<b>12.53</b>
<b>Equities total</b>			
		<b>227,759</b>	<b>93.08</b>
<b>Portfolio of investments</b>			
		<b>227,759</b>	<b>93.08</b>
<b>Net other assets</b>			
		16,929	6.92
<b>Net assets attributable to shareholders</b>			
		<b>244,688</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(65,208)		18,250
Revenue	2,671		4,149	
Expenses	(734)		(622)	
Net revenue before taxation	<b>1,937</b>		<b>3,527</b>	
Taxation	(190)		(133)	
Net revenue after taxation		<b>1,747</b>		<b>3,394</b>
<b>Total return before distributions</b>		<b>(63,461)</b>		<b>21,644</b>
Distributions		195		324
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(63,266)</b>		<b>21,968</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		258,977 <sup>^</sup>		161,839
Amounts receivable on issue of shares	70,721		34,903	
Amounts payable on cancellation of shares	(21,889)		(13,295)	
		<b>48,832</b>		<b>21,608</b>
Dilution adjustment		145		76
Change in net assets attributable to shareholders from investment activities		(63,266)		21,968
<b>Closing net assets attributable to shareholders</b>		<b>244,688</b>		<b>205,491<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	227,759	239,678
<b>Current assets</b>		
Debtors	1,199	1,499
Cash and bank balances	16,430	21,675
<b>Total assets</b>	<b>245,388</b>	<b>262,852</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	0	(3,563)
Other creditors	(700)	(312)
<b>Total liabilities</b>	<b>(700)</b>	<b>(3,875)</b>
<b>Net assets attributable to shareholders</b>	<b>244,688</b>	<b>258,977</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder Global Recovery Fund are disclosed on page 8.

# Schroder Multi-Asset Total Return Fund

## Fund Information

### Investment objective and policy

The Schroder Multi-Asset Total Return Fund (the 'Fund') aims to provide capital growth and income of 3 month GBP LIBOR (or an equivalent reference rate) plus 4% per annum (before fees have been deducted\*) over rolling three year periods by investing in a diversified range of assets and markets worldwide. The Fund also aims to target a volatility (a measure of how much the Fund's returns may vary) range of 4% - 8% over the same period. This cannot be guaranteed and your capital is at risk.

\* For the target return after fees for each unit class please visit the Schroder website <https://www.schroders.com/en/uk/private-investor/investing-with-us/historical-ongoingcharges/>.

The Fund is actively managed and invests directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds, and derivatives in equity and equity related securities, fixed and floating rate securities, commodities and currencies worldwide. The weightings of these holdings are adjusted in response to changing market conditions.

The Fund may invest more than 10% of its assets in collective investment schemes (including other Schroder funds).

The Fund may invest in below investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) or in unrated securities.

The Fund may invest up to 20% of its assets in asset-backed and mortgage-backed securities.

The Fund may also invest in warrants and money market instruments, and may hold cash. The investment strategy of the Fund and its use of derivatives may lead to situations when it is considered appropriate that prudent levels of cash or cash equivalent liquidity will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund's assets.

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 Appendix III. Section 10: Derivatives and Forwards). The Fund will use leverage and take short positions.

### Fund characteristics

The Fund's performance should be assessed against its target benchmark of 3 month GBP LIBOR (or an equivalent reference rate) plus 4%. The Fund also aims to target a volatility (a measure of how much the Fund's returns may vary) range of 4% - 8% over the same period. The target 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.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	86,029	352,252
Total sales	119,700	253,043



# Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
I Income shares	34,215,099	48.00	51.30
I Accumulation shares	43,178,425	48.46	51.80
L Income shares	45,480	47.97	51.31
L Accumulation shares	1,039,509	48.36	51.71
X Income shares	2,000	48.14	51.34
X Accumulation shares	176,341,906	49.22	52.49
Z Income shares	14,915	47.93	51.28
Z Accumulation shares	496,360	48.28	51.64

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.

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 6.60%. In the same period, Sterling 3 Month London Interbank Offer Rate + 4% generated a total return of 2.24%<sup>1</sup>.

It has been an extraordinary year so far, with two contrasting quarters.

In the first quarter the fund returned -12.4%, gross of fees. In a quarter characterised by sharp asset price declines and heightened market volatility, global equities fell -20.5%. Unsurprisingly, return seeking strategies detracted from performance, with equities and credit recording steep losses across the board. In March the continued spread of the virus had profound economic impact and we reduced our equity exposure which mitigated losses as the S&P 500 Index went on to fall to its lowest point in over three years. Risk reducing defensive assets initially served to protect the portfolio and produced a positive contribution to return overall. However, as the quarter progressed and fear dominated markets, the effectiveness of all but US dollars and cash as a hedge began to wane as investors indiscriminately sold assets to raise cash. As a result, we reduced exposure to gold and government bonds in March.

In contrast, over the second quarter the Multi-Asset Total Return Fund, returned 7.0% gross of fees, as markets recovered from the pandemic induced sell off. Having cut the equity allocation to protect the portfolio earlier in the year, we started to add back in April to capture upside. Risk reducing assets ended the quarter edging into negative territory, with currency hedges detracting on the back of US dollar weakness. With lower starting yields limiting the usefulness of bonds in a hedging context, we further diversified into risk-reducing currency strategies, while adding to gold to balance the cyclical risk in the portfolio.

## Co-Fund Manager:

Johanna Kyrklund



Global Head of Multi-Asset Investments

Joined Schroders in March 2007 and is based in London

Johanna leads the Multi-Asset Investments division, is a member of the Group Management Committee (GMC) and Chairs Global Asset Allocation Committee

Responsible for investments on behalf of Multi-Asset clients globally and is the lead portfolio manager of the Schroder Diversified Growth and Multi-Asset Total Return Strategies

Prior to joining Schroders, Johanna specialised in tactical asset allocation strategies

From 2005 she worked at Insight Investment where she managed an unconstrained global macro absolute return fund. From 1997 to 2005 she worked at Deutsche Asset Management where she was Head of Asset Allocation in the UK and fund manager of the Deutsche tactical asset allocation fund

CFA Charterholder

Degree in Philosophy, Politics & Economics from Oxford University

Johanna is a member of the Cambridge University Investment Board

## Co-Fund Manager:

Alastair Baker



Multi-Asset Fund Manager

Joined Schroders in 2007 and is based in London

Member of the Diversified Growth portfolio management team, including co-fund manager of the Multi-Asset Total Return strategy

Member of the commodity risk premium team and the alternative risk premium team of the Strategic Investment Group Multi-Asset

Member of the Model Review Group

Member of the Global Asset Allocation Committee Farm

CFA Charterholder

BSc in Economics and Econometrics, University of Bristol

<sup>1</sup> Source: Thomson Reuters Datastream.

**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 was calculated using simulated performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Collective Investment Schemes 41.20% (39.82%)</b>			
<b>Commodity Funds 3.27% (3.95%)</b>			
iShares Physical Gold ETC USD	143,499	4,079	3.27
		<b>4,079</b>	<b>3.27</b>
<b>Emerging Markets Fixed Interest Funds 0.00% (3.71%)</b>			
<b>Global Emerging Markets Fixed Interest Funds 4.63% (0.00%)</b>			
iShares J.P. Morgan \$ EM Bond UCITS ETF Distribution USD	22,053	1,951	1.56
SPDR Bloomberg Barclays Emerging Markets Local Bond UCITS ETF Distribution	69,195	3,837	3.07
		<b>5,788</b>	<b>4.63</b>
<b>Global Equity Funds 17.64% (10.41%)</b>			
Schroder Global Disruption Fund I Accumulation USD <sup>†</sup>	14,451	1,715	1.37
Schroder Global Equity Fund I Accumulation USD <sup>†</sup>	602,609	18,310	14.66
Schroder QEP Global Equity Market Neutral Fund I Accumulation USD <sup>†</sup>	23,467	2,008	1.61
		<b>22,033</b>	<b>17.64</b>
<b>Global Fixed Interest Funds 14.50% (21.75%)</b>			
Schroder Global High Yield Fund I Accumulation USD <sup>†</sup>	181,676	8,349	6.68
Schroder Global Sustainable Convertible Bond Fund I Accumulation EUR <sup>†</sup>	64,895	6,479	5.19
Schroder Securitised Credit Fund I Accumulation USD <sup>†</sup>	38,076	3,282	2.63
		<b>18,110</b>	<b>14.50</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Other Funds 1.16% (0.00%)</b>			
Schroder Cat Bond Fund I Accumulation USD <sup>†</sup>	1,167	1,451	1.16
		<b>1,451</b>	<b>1.16</b>
<b>Collective Investment Schemes total</b>			
		<b>51,461</b>	<b>41.20</b>
<b>Equity 0.00% (0.74%)</b>			
<b>Bermuda 0.00% (0.01%)</b>			
<b>Ireland 0.00% (0.06%)</b>			
<b>United States of America 0.00% (0.67%)</b>			
<b>Government Bonds 33.35% (36.44%)</b>			
<b>United Kingdom 33.35% (33.46%)</b>			
UK Treasury Bill 0% 13/07/2020	8,500,000	8,500	6.81
UK Treasury Bill 0% 28/09/2020	7,400,000	7,399	5.92
UK Treasury Bill 0% 05/10/2020	7,302,573	7,302	5.85
UK Treasury Bill 0% 12/10/2020	5,250,000	5,249	4.20
UK Treasury Bill 0% 19/10/2020	4,250,000	4,249	3.40
UK Treasury Bill 0% 09/11/2020	2,000,000	2,000	1.60
UK Treasury Bill 0% 16/11/2020	2,214,000	2,214	1.77
UK Treasury Bill 0% 21/12/2020	2,000,000	1,999	1.60
UK Treasury Bill 0% 29/12/2020	2,750,000	2,749	2.20
		<b>41,661</b>	<b>33.35</b>
<b>United States of America 0.00% (2.98%)</b>			
<b>Government Bonds total</b>			
		<b>41,661</b>	<b>33.35</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Corporate Bonds 22.07% (17.05%)</b>			
<b>Australia 0.09% (0.06%)</b>			
Commonwealth Bank of Australia 1.125% 18/01/2028	108,000	106	0.09
		<b>106</b>	<b>0.09</b>
<b>Austria 0.08% (0.06%)</b>			
OMV 0.75% 04/12/2023	100,000	93	0.08
		<b>93</b>	<b>0.08</b>
<b>Belgium 0.16% (0.12%)</b>			
Anheuser-Busch InBev 2.7% 31/03/2026	200,000	205	0.16
		<b>205</b>	<b>0.16</b>
<b>Canada 0.56% (0.49%)</b>			
Royal Bank of Canada 2.8% 29/04/2022	200,000	169	0.14
Magna International 3.625% 15/06/2024	100,000	90	0.07
Bank of Montreal 2.5% 28/06/2024	200,000	173	0.14
Bank of Nova Scotia 2.7% 03/08/2026	300,000	266	0.21
		<b>698</b>	<b>0.56</b>
<b>Finland 0.08% (0.06%)</b>			
Nordea Bank 0.875% 26/06/2023	100,000	93	0.08
		<b>93</b>	<b>0.08</b>
<b>France 2.80% (2.00%)</b>			
Engie 2.625% 20/07/2022	100,000	96	0.08
Banque Federative du Credit Mutuel 3.75% 20/07/2023	300,000	265	0.21
Air Liquide Finance 2.25% 27/09/2023	300,000	255	0.20

	Holding at 30.6.20	Market Value £000's	% of net assets
Credit Agricole 3.25% 04/10/2024	250,000	218	0.17
Societe Generale 2.625% 27/02/2025	100,000	97	0.08
Suez 1% 03/04/2025	100,000	94	0.07
Credit Agricole 3.125% 05/02/2026	100,000	107	0.09
Societe Generale 0.125% 24/02/2026	100,000	90	0.07
BNP Paribas FRN 2.875% 20/03/2026	105,000	97	0.08
Cie de Saint-Gobain 1.125% 23/03/2026	100,000	95	0.08
BPCE 2.875% 22/04/2026	100,000	100	0.08
Banque Federative du Credit Mutuel 1.25% 26/05/2027	100,000	98	0.08
Orange 1.25% 07/07/2027	100,000	96	0.08
HSBC France 0.1% 03/09/2027	100,000	88	0.07
Veolia Environnement 1.59% 10/01/2028	100,000	99	0.08
HSBC France 1.375% 04/09/2028	100,000	99	0.08
BPCE 4.625% 12/09/2028	250,000	239	0.19
Electricite de France 4.5% 21/09/2028	300,000	284	0.23
Orange 2% 15/01/2029	100,000	102	0.08
Total Capital International 3.455% 19/02/2029	210,000	193	0.15
BNP Paribas FRN 5.198% 10/01/2030	300,000	298	0.24
APRR 1.875% 06/01/2031	100,000	101	0.08
Autoroutes du Sud de la France 1.375% 21/02/2031	100,000	99	0.08
Total Capital International 3.461% 12/07/2049	210,000	183	0.15
		<b>3,493</b>	<b>2.80</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Germany 0.43% (0.17%)</b>			
Volkswagen Financial Services 2.5% 06/04/2023	146,000	138	0.11
Volkswagen Bank 1.875% 31/01/2024	200,000	187	0.15
E.ON 0.875% 22/05/2024	100,000	93	0.08
E.ON 1% 07/10/2025	26,000	25	0.02
Deutsche Telekom 1.375% 05/07/2034	100,000	93	0.07
		<b>536</b>	<b>0.43</b>
<b>Guernsey 0.08% (0.06%)</b>			
Credit Suisse Group Funding Guernsey 1.25% 14/04/2022	105,000	97	0.08
		<b>97</b>	<b>0.08</b>
<b>Ireland 0.15% (0.06%)</b>			
CRH Finance 3.125% 03/04/2023	100,000	98	0.08
Johnson Controls International 4.5% 15/02/2047	100,000	93	0.07
		<b>191</b>	<b>0.15</b>
<b>Italy 0.22% (0.28%)</b>			
Eni 0.625% 19/09/2024	100,000	92	0.07
Eni 4.75% 12/09/2028	200,000	182	0.15
		<b>274</b>	<b>0.22</b>
<b>Jersey 0.07% (0.06%)</b>			
Heathrow Funding 1.875% 14/03/2036	100,000	92	0.07
		<b>92</b>	<b>0.07</b>
<b>Luxembourg 0.31% (0.29%)</b>			
GELF Bond Issuer I REIT 0.875% 20/10/2022	200,000	182	0.15

	Holding at 30.6.20	Market Value £000's	% of net assets
Holcim Finance Luxembourg 1.375% 26/05/2023	100,000	94	0.07
Medtronic Global Holdings 1.125% 07/03/2027	122,000	116	0.09
		<b>392</b>	<b>0.31</b>
<b>Netherlands 1.39% (1.34%)</b>			
Daimler International Finance 0.25% 11/05/2022	100,000	91	0.07
Iberdrola International 1.125% 27/01/2023	100,000	94	0.07
BMW Finance 0% 14/04/2023	61,000	55	0.04
Enel Finance International 4.875% 17/04/2023	100,000	104	0.08
ABN AMRO Bank 0.5% 17/07/2023	100,000	93	0.07
Enel Finance International 4.25% 14/09/2023	200,000	177	0.14
Heineken 1% 04/05/2026	100,000	94	0.08
ASML Holding 1.625% 28/05/2027	200,000	198	0.16
ING Groep FRN 3% 11/04/2028	100,000	96	0.08
Shell International Finance 3.875% 13/11/2028	300,000	283	0.23
Siemens Financieringsmaatschappij 0.125% 05/09/2029	32,000	28	0.02
Shell International Finance 2.75% 06/04/2030	110,000	97	0.08
E.ON International Finance 6.375% 07/06/2032	40,000	60	0.05
Siemens Financieringsmaatschappij 4.2% 16/03/2047	250,000	270	0.22
		<b>1,740</b>	<b>1.39</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Norway 0.15% (0.16%)</b>			
Equinor 3.625% 10/09/2028	200,000	188	0.15
		<b>188</b>	<b>0.15</b>
<b>Spain 0.27% (0.20%)</b>			
Telefonica Emisiones 3.987% 23/01/2023	100,000	100	0.08
Inmobiliaria Colonial Socimi REIT 2.728% 05/06/2023	100,000	96	0.07
Telefonica Emisiones 4.665% 06/03/2038	150,000	146	0.12
		<b>342</b>	<b>0.27</b>
<b>Sweden 0.31% (0.23%)</b>			
Essity 1.125% 27/03/2024	100,000	94	0.07
Svenska Handelsbanken 0.125% 18/06/2024	100,000	92	0.07
Svenska Handelsbanken 0.05% 03/09/2026	136,000	121	0.10
Castellum 0.75% 04/09/2026	100,000	85	0.07
		<b>392</b>	<b>0.31</b>
<b>Switzerland 0.23% (0.18%)</b>			
UBS Group 1.5% 3 0/11/2024	210,000	198	0.16
Credit Suisse Group FRN 1.25% 17/07/2025	100,000	93	0.07
		<b>291</b>	<b>0.23</b>
<b>United Kingdom 2.65% (2.15%)</b>			
DS Smith 2.25% 16/09/2022	100,000	94	0.08
BUPA Finance 5% 25/04/2023	200,000	212	0.17
Santander UK Group Holdings 1.125% 08/09/2023	100,000	92	0.07
Barclays 3.125% 17/01/2024	200,000	208	0.17

	Holding at 30.6.20	Market Value £000's	% of net assets
Lloyds Banking Group 3.9% 12/03/2024	200,000	178	0.14
GlaxoSmithKline Capital 3% 01/06/2024	300,000	264	0.21
Diageo Finance 0.5% 19/06/2024	100,000	92	0.07
British Telecommunications 1% 21/11/2024	141,000	131	0.10
Next Group 3% 26/08/2025	100,000	100	0.08
Sky 2.25% 17/11/2025	135,000	135	0.11
Royal Bank of Scotland Group FRN 1.75% 02/03/2026	105,000	98	0.08
Nationwide Building Society 4% 14/09/2026	250,000	219	0.18
Smiths Group 2% 23/02/2027	100,000	93	0.07
InterContinental Hotels Group 2.125% 15/05/2027	100,000	88	0.07
Lloyds Banking Group 1.5% 12/09/2027	100,000	96	0.08
Aviva 1.875% 13/11/2027	105,000	104	0.08
HSBC Holdings FRN 3.973% 22/05/2030	200,000	181	0.15
Western Power Distribution East Midlands 1.75% 09/09/2031	200,000	203	0.16
Diageo Finance 2.5% 27/03/2032	100,000	109	0.09
Notting Hill Genesis 3.75% 20/12/2032	100,000	118	0.09
United Utilities Water Finance 2% 03/07/2033	100,000	107	0.09
Southern Gas Networks 3.1% 15/09/2036	100,000	120	0.10
Diageo Capital 3.875% 29/04/2043	130,000	129	0.10
Futures Treasury 3.375% 08/02/2044	100,000	132	0.11
		<b>3,303</b>	<b>2.65</b>

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>United States of America 12.04% (9.08%)</b>			
Goldman Sachs Group 4.75% 12/10/2021	90,000	86	0.07
Citigroup 4.5% 14/01/2022	70,000	60	0.05
AT&T 4% 15/01/2022	150,000	129	0.10
Fox 3.666% 25/01/2022	102,000	87	0.07
General Motors Financial 3.55% 08/07/2022	78,000	65	0.05
Intel 3.1% 29/07/2022	102,000	88	0.07
Gilead Sciences 3.25% 01/09/2022	102,000	88	0.07
Caterpillar Financial Services 1.9% 06/09/2022	354,000	297	0.24
AbbVie 3.2% 06/11/2022	102,000	87	0.07
Wells Fargo 3.069% 24/01/2023	360,000	304	0.24
JPMorgan Chase FRN 3.207% 01/04/2023	250,000	212	0.17
Cigna 3% 15/07/2023	104,000	90	0.07
Bank of New York Mellon 3.45% 11/08/2023	200,000	177	0.14
DuPont de Nemours 4.205% 15/11/2023	300,000	268	0.21
Bank of America FRN 3.004% 20/12/2023	150,000	128	0.10
McDonald's 0.625% 29/01/2024	100,000	92	0.07
Air Lease 4.25% 01/02/2024	300,000	250	0.20
Microsoft 2.875% 06/02/2024	200,000	176	0.14
Goldman Sachs Group 3.625% 20/02/2024	150,000	133	0.11
Daimler Finance North America 3.65% 22/02/2024	150,000	130	0.10
John Deere Capital 2.6% 07/03/2024	200,000	174	0.14
BMW US Capital 3.15% 18/04/2024	300,000	260	0.21
Morgan Stanley FRN 3.737% 24/04/2024	150,000	132	0.11

	Holding at 30.6.20	Market Value £000's	% of net assets
ONEOK 2.75% 01/09/2024	200,000	164	0.13
Walmart 2.65% 15/12/2024	200,000	176	0.14
AbbVie 3.8% 15/03/2025	100,000	90	0.07
CVS Health 4.1% 25/03/2025	150,000	138	0.11
Oracle 2.5% 01/04/2025	110,000	96	0.08
McDonald's 3.375% 26/05/2025	100,000	90	0.07
United Parcel Service 1.625% 15/11/2025	100,000	97	0.08
BP Capital Markets America 3.41% 11/02/2026	250,000	225	0.18
Mondelez International 3.625% 13/02/2026	250,000	230	0.18
Alexandria Real Estate Equities REIT 3.8% 15/04/2026	250,000	228	0.18
American Express 3.125% 20/05/2026	200,000	181	0.14
Bristol-Myers Squibb 3.2% 15/06/2026	100,000	91	0.07
AT&T 2.95% 15/07/2026	150,000	132	0.11
Apple 2.05% 11/09/2026	200,000	173	0.14
Thermo Fisher Scientific 2.95% 19/09/2026	200,000	180	0.14
Gilead Sciences 2.95% 01/03/2027	200,000	181	0.15
Mondelez International 1.625% 08/03/2027	100,000	96	0.08
Visa 1.9% 15/04/2027	150,000	128	0.10
Procter & Gamble 2.85% 11/08/2027	250,000	231	0.19
Citigroup 4.45% 29/09/2027	150,000	139	0.11
Apple 3% 13/11/2027	220,000	201	0.16
Citigroup 4.125% 25/07/2028	100,000	92	0.07
Comcast 4.15% 15/10/2028	150,000	146	0.12
Kroger 4.5% 1 5/01/2029	100,000	99	0.08
Moody's 4.25% 01/02/2029	300,000	287	0.23



# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
American International Group 4.25% 15/03/2029	300,000	279	0.22
CSX 4.25% 15/03/2029	200,000	194	0.16
Eli Lilly and 3.375% 15/03/2029	200,000	188	0.15
Fidelity National Information Services 3.75% 21/05/2029	200,000	190	0.15
Mastercard 2.95% 01/06/2029	200,000	182	0.15
Waste Management 3.45% 15/06/2029	220,000	189	0.15
Digital Realty Trust REIT 3.6% 01/07/2029	200,000	186	0.15
Fiserv 3.5% 01/07/2029	200,000	182	0.15
American Tower REIT 3.8% 15/08/2029	300,000	276	0.22
Duke Energy Carolinas 2.45% 15/08/2029	174,000	152	0.12
Hartford Financial Services Group 2.8% 19/08/2029	300,000	258	0.21
United Parcel Service 2.5% 01/09/2029	100,000	88	0.07
Walt Disney 2% 01/09/2029	300,000	249	0.20
Crown Castle International REIT 3.1% 15/11/2029	200,000	175	0.14
Welltower REIT 3.1% 15/01/2030	200,000	169	0.14
Morgan Stanley FRN 4.431% 23/01/2030	150,000	146	0.12
PepsiCo 2.75% 19/03/2030	95,000	86	0.07
Citigroup FRN 3.98% 20/03/2030	150,000	140	0.11
JPMorgan Chase FRN 3.702% 06/05/2030	150,000	140	0.11
Honeywell International 1.95% 01/06/2030	100,000	85	0.07
Bank of America FRN 3.194% 23/07/2030	150,000	135	0.11
Verizon Communications 1.875% 19/09/2030	100,000	103	0.08

	Holding at 30.6.20	Market Value £000's	% of net assets
Verizon Communications 4.5% 10/08/2033	150,000	152	0.12
Microsoft 4.1% 06/02/2037	50,000	52	0.04
Coca-Cola 4.125% 25/03/2040	110,000	115	0.09
Anheuser-Busch InBev Worldwide 4.95% 15/01/2042	200,000	195	0.16
AT&T 4.65% 01/06/2044	150,000	140	0.11
Liberty Mutual Group 4.85% 01/08/2044	100,000	94	0.08
Phillips 66 Partners 4.68% 15/02/2045	182,000	158	0.13
Waste Management 4.1% 01/03/2045	100,000	98	0.08
Commonwealth Edison 4.35% 15/11/2045	30,000	31	0.02
Visa 4.3% 14/12/2045	200,000	213	0.17
Target 3.625% 15/04/2046	200,000	198	0.16
Duke Energy Ohio 3.7% 15/06/2046	96,000	92	0.07
Burlington Northern Santa Fe 3.9% 01/08/2046	100,000	98	0.08
Microsoft 4.25% 06/02/2047	75,000	82	0.07
Gilead Sciences 4.15% 01/03/2047	60,000	62	0.05
Aetna 3.875% 15/08/2047	200,000	183	0.15
Commonwealth Edison 3.75% 15/08/2047	35,000	33	0.03
Procter & Gamble 3.5% 25/10/2047	57,000	56	0.04
Comcast 4% 01/03/2048	150,000	148	0.12
Florida Power & Light 4.125% 01/06/2048	283,000	299	0.24
Amgen 4.563% 15/06/2048	100,000	105	0.08
Berkshire Hathaway Energy 3.8% 15/07/2048	142,000	134	0.11
Baltimore Gas and Electric 4.25% 15/09/2048	30,000	30	0.02
Cigna 4.9% 15/12/2048	200,000	214	0.17

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Kroger 5.4% 15/01/2049	100,000	112	0.09
Commonwealth Edison 4% 01/03/2049	30,000	30	0.02
Pfizer 4% 15/03/2049	190,000	196	0.16
Dow Chemical 4.8% 15/05/2049	300,000	289	0.23
Parker-Hannifin 4% 14/06/2049	104,000	97	0.08
Prudential Financial 3.935% 07/12/2049	100,000	91	0.07
Mastercard 3.85% 26/03/2050	45,000	46	0.04
		<b>15,039</b>	<b>12.04</b>

<b>Corporate Bonds total</b>		<b>27,565</b>	<b>22.07</b>
------------------------------	--	---------------	--------------

<b>Swaps 0.00% (0.03%)</b>			
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Commodity Index Swap J.P. Morgan Pay USBCOMF3.CI Receive (0.09)% 09/09/2020	USD 306,425	(4)	0.00
--------------------------------------------------------------------------------------	-------------	-----	------

<b>Swaps total</b>		<b>(4)</b>	<b>0.00</b>
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<b>Contracts for Difference 0.00% ((0.05)%)</b>			
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<b>Canada 0.00% ((0.01)%)</b>			
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<b>Denmark 0.00% (0.01%)</b>			
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<b>France 0.00% ((0.01)%)</b>			
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<b>Germany 0.00% ((0.01)%)</b>			
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<b>Hong Kong 0.00% ((0.01)%)</b>			
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<b>Japan 0.00% ((0.03)%)</b>			
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<b>Netherlands 0.00% (0.01%)</b>			
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	Holding at 30.6.20	Market Value £000's	% of net assets
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<b>Singapore 0.00% ((0.01)%)</b>			
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<b>Taiwan 0.00% (0.01%)</b>			
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<b>United Kingdom 0.00% (0.01%)</b>			
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<b>United States of America 0.00% ((0.01)%)</b>			
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<b>Options (0.05)% (0.00%)</b>			
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<b>Purchased Options 0.00% (0.00%)</b>			
----------------------------------------	--	--	--

S&P 500 Index Call 3,247.78 01/07/2020	3,988,274	0	0.00
-------------------------------------------	-----------	---	------

S&P 500 Index Put 7 2,919.88 01/07/2020	3,585,613	1	0.00
--------------------------------------------	-----------	---	------

<b>Purchased Options total</b>		<b>1</b>	<b>0.00</b>
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<b>Written Options (0.05)% (0.00%)</b>			
----------------------------------------	--	--	--

DAX Index Call 13,111.73 01/07/2020	(1,350,508)	0	0.00
----------------------------------------	-------------	---	------

DAX Index Put 11,550.81 01/07/2020	(1,189,733)	0	0.00
---------------------------------------	-------------	---	------

EURO STOXX 50 Price Index Call 3,425.46 08/07/2020	(1,003,660)	(1)	0.00
----------------------------------------------------------	-------------	-----	------

EURO STOXX 50 Price Index Put 3,063.15 08/07/2020	(897,503)	(5)	0.00
---------------------------------------------------------	-----------	-----	------

FTSE 100 Index Call 6,429.87 22/07/2020	(655,847)	(7)	(0.01)
--------------------------------------------	-----------	-----	--------

FTSE 100 Index Put 5,695.03 22/07/2020	(580,893)	(4)	0.00
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S&P 500 Index Call 3,247.78 01/07/2020	(3,988,274)	0	0.00
-------------------------------------------	-------------	---	------

S&P 500 Index Call 3,317.75 08/07/2020	(1,327,100)	0	0.00
-------------------------------------------	-------------	---	------

S&P 500 Index Call 3,202.85 22/07/2020	(3,702,495)	(12)	(0.01)
-------------------------------------------	-------------	------	--------

S&P 500 Index Put 2,919.88 01/07/2020	(3,585,613)	0	0.00
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# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
S&P 500 Index Put 2,982.78 08/07/2020	(1,193,112)	(8)	(0.01)
S&P 500 Index Put 2,821.56 22/07/2020	(3,261,723)	(22)	(0.02)
<b>Written Options total</b>		<b>(59)</b>	<b>(0.05)</b>
<b>Options total</b>		<b>(58)</b>	<b>(0.05)</b>
<b>Forward Foreign Currency Contracts (1.56)% (0.92%)</b>			
Buy AUD 44,000 Sell GBP 24,328 20/07/2020	AUD 44,000	0	0.00
Buy AUD 2,620,000 Sell USD 1,823,284 20/07/2020	AUD 2,620,000	(24)	(0.02)
Buy BRL 2,670,000 Sell USD 475,5710 2/07/2020	BRL 2,670,000	15	0.01
Buy BRL 10,735,000 Sell USD 2,024,691 02/07/2020	BRL 10,735,000	(31)	(0.02)
Buy BRL 8,913,000 Sell USD 1,723,561 04/08/2020	BRL 8,913,000	(62)	(0.05)
Buy CAD 56,000 Sell G BP 33,043 20/07/2020	CAD 56,000	0	0.00
Buy CHF 3,023,000 Sell , GBP 2,530,193 20/07/2020	CHF 3,023,000	63	0.05
Buy CHF 11,000 Sell USD 11,620 20/07/2020	CHF 11,000	0	0.00
Buy CLP 1,752,500,000 Sell USD 2,219,894 08/07/2020	CLP 1,752,500,000	(66)	(0.05)
Buy COP 9,025,380,000 Sell USD 2,449,946 08/07/2020	COP 9,025,380,000	(34)	(0.03)

	Holding at 30.6.20	Market Value £000's	% of net assets
CZK 83,380,000 Sell USD 3,536,465 20/07/2020	CZK 83,380,000	(41)	(0.03)
Buy EUR 402,000 Sell AUD 663,085 20/07/2020	EUR 402,000	(3)	0.00
Buy EUR 136,000 Sell GBP 122,742 20/07/2020	EUR 136,000	2	0.00
Buy EUR 2,732,326 Sell NOK 30,050,000 20/07/2020	EUR 2,732,326	(19)	(0.01)
Buy EUR 1,002,566 Sell USD 1,127,433 06/07/2020	EUR 1,002,566	(3)	0.00
Buy EUR 8,000 Sell USD 9,016 20/07/2020	EUR 8,000	0	0.00
Buy HKD 557,000 Sell GBP 57,831 20/07/2020	HKD 557,000	1	0.00
Buy HUF 1,269,690,000 Sell USD 4,130,505 20/07/2020	HUF 1,269,690,000	(112)	(0.09)
Buy IDR 47,438,500,000 Sell USD 3,260,602 08/07/2020	IDR 47,438,500,000	14	0.01
Buy IDR 14,997,100,000 Sell USD 1,028,961 10/08/2020	IDR 14,997,100,000	(3)	0.00
Buy ILS 452,000 Sell USD 131,725 20/07/2020	ILS 452,000	(1)	0.00
Sell USD 1,464,902 08/07/2020	INR 111,131,000	4	0.00
Buy INR 135,450,000 Sell USD 1,792,852 08/07/2020	INR 135,450,000	(1)	0.00

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Buy INR 81,253,000 Sell USD 1,072,024 10/08/2020	INR 81,253,000	(1)	0.00
Buy JPY 500,500,000 Sell EUR 4,119,087 20/07/2020	JPY 500,500,000	23	0.02
Buy JPY 494,500,000 Sell EUR 4,115,796 20/07/2020	JPY 494,500,000	(20)	(0.02)
Buy JPY 20,640,000 Sell GBP 154,843 20/07/2020	JPY 20,640,000	1	0.00
Buy JPY 204,700,000 Sell USD 1,905,302 20/07/2020	JPY 204,700,000	(4)	0.00
Buy KRW 2,501,500,000 Sell USD 2,041,241 08/07/2020	KRW 2,501,500,000	31	0.03
Buy KRW 757,000,000 Sell USD 629,925 08/07/2020	KRW 757,000,000	(1)	0.00
Buy KRW 2,147,300,000 Sell USD 1,787,062 10/08/2020	KRW 2,147,300,000	(2)	0.00
Buy MXN 62,020,000 Sell USD 2,730,221 20/07/2020	MXN 62,020,000	(48)	(0.04)
Buy MYR 1,912,000 Sell USD 447,513 08/07/2020	MYR 1,912,000	(1)	0.00
Buy MYR 1,912,000 Sell USD 446,260 10/08/2020	MYR 1,912,000	(1)	0.00

	Holding at 30.6.20	Market Value £000's	% of net assets
Buy NOK 30,050,000 Sell EUR 2,775,894 20/07/2020	NOK 30,050,000	(21)	(0.02)
Buy NOK 16,104,000 Sell USD 1,685,261 20/07/2020	NOK 16,104,000	(25)	(0.02)
Buy NZD 3,561,000 Sell USD 2,321,809 20/07/2020	NZD 3,561,000	(33)	(0.03)
Buy PHP 89,700,000 Sell USD 1,798,857 08/07/2020	PHP 89,700,000	(1)	0.00
Buy PLN 6,799,000 Sell USD 1,728,470 20/07/2020	PLN 6,799,000	(17)	(0.01)
Buy RUB 86,613,000 Sell USD 1,249,286 08/07/2020	RUB 86,613,000	(24)	(0.02)
Buy RUB 74,078,000 Sell USD 1,046,876 10/08/2020	RUB 74,078,000	(7)	(0.01)
Buy SEK 16,951,000 Sell USD 1,830,284 20/07/2020	SEK 16,951,000	(17)	(0.01)
Buy SGD 2,539,000 Sell USD 1,826,800 20/07/2020	SGD 2,539,000	(8)	(0.01)
Buy THB 57,141,000 Sell USD 1,845,938 20/07/2020	THB 57,141,000	3	0.00
Buy TWD 67,997,000 Sell USD 2,278,157 08/07/2020	TWD 67,997,000	24	0.02
Buy TWD 49,014,000 Sell USD 1,669,045 08/07/2020	TWD 49,014,000	(4)	0.00
Buy TWD 52,281,000 Sell USD 1,788,210 10/08/2020	TWD 52,281,000	(6)	0.00

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Buy USD 3,030,203 Sell AUD 4,417,000 20/07/2020	USD 3,030,203	4	0.00
Buy USD 2,595,377 Sell BRL 13,405,000 02/07/2020	USD 2,595,377	93	0.07
Buy USD 1,788,524 Sell BRL 9,320,000 04/08/2020	USD 1,788,524	54	0.04
Buy USD 1,162,652 Sell CAD 1,574,000 20/07/2020	USD 1,162,652	10	0.01
Buy USD 457,648 Sell CHF 433,000 20/07/2020	USD 457,648	2	0.00
Buy USD 1,018,645 Sell CLP 803,010,000 08/07/2020	USD 1,018,645	31	0.03
Buy USD 1,843,677 Sell COP 6,848,800,000 08/07/2020	USD 1,843,677	14	0.01
Buy USD 262,294 Sell COP 985,700,000 08/07/2020	USD 262,294	(1)	0.00
Buy USD 2,480,790 Sell CZK 58,516,000 20/07/2020	USD 2,480,790	28	0.02
Buy USD 109,309 Sell EUR 96,419 06/07/2020	USD 109,309	1	0.00
Buy USD 9,061,792 Sell EUR 8,128,376 06/07/2020	USD 9,061,792	(41)	(0.03)
Buy USD 1,366,979 Sell EUR 1,206,000 20/07/2020	USD 1,366,979	12	0.01
Buy USD 1,908,095 Sell GBP 1,546,162 06/07/2020	USD 1,908,095	9	0.01
Buy USD 16,679,396 Sell GBP 13,274,850 20/07/2020	USD 16,679,396	318	0.25
Buy USD 1,781,936 Sell GBP 1,451,872 05/08/2020	USD 1,781,936	0	0.00

	Holding at 30.6.20	Market Value £000's	% of net assets
Buy USD 2,468,773 Sell HUF 755,300,000 20/07/2020	USD 2,468,773	76	0.06
Buy USD 3,313,363 Sell IDR 47,438,500,000 08/07/2020	USD 3,313,363	29	0.02
Buy USD 5,515,258 Sell ILS 19,110,000 20/07/2020	USD 5,515,258	(4)	0.00
Buy USD 1,075,486 Sell INR 81,253,000 08/07/2020	USD 1,075,486	1	0.00
Buy USD 2,179,509 Sell INR 165,328,000 08/07/2020	USD 2,179,509	(5)	0.00
Buy USD 1,787,081 Sell INR 135,450,000 10/08/2020	USD 1,787,081	2	0.00
Buy USD 2,236,421 Sell JPY 240,282,000 20/07/2020	USD 2,236,421	5	0.00
Buy USD 2,049,950 Sell KRW 2,462,300,000 08/07/2020	USD 2,049,950	3	0.00
Buy USD 658,474 Sell KRW 796,200,000 08/07/2020	USD 658,474	(3)	0.00
Buy USD 630,003 Sell KRW 757,000,000 10/08/2020	USD 630,003	1	0.00
Buy USD 1,775,832 Sell MXN 40,340,000 20/07/2020	USD 1,775,832	31	0.03
Buy USD 446,625 Sell MYR 1,912,000 08/07/2020	USD 446,625	1	0.00
Buy USD 13,374 Sell NOK 128,000 20/07/2020	USD 13,374	0	0.00
Buy USD 4,877,858 Sell NZD 7,545,000 20/07/2020	USD 4,877,858	37	0.03
Buy USD 1,786,746 Sell PHP 89,700,000 08/07/2020	USD 1,786,746	(9)	(0.01)
Buy USD 1,795,544 Sell PHP 89,700,000 10/08/2020	USD 1,795,544	1	0.00

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
Buy USD 669,623 Sell PLN 2,634,000 20/07/2020	USD 669,623	6	0.01
Buy USD 1,232,017 Sell RUB 86,613,000 08/07/2020	USD 1,232,017	10	0.01
Buy USD 476,202 Sell SEK 4,412,000 20/07/2020	USD 476,202	4	0.00
Buy USD 1,212,941 Sell SGD 1,686,000 20/07/2020	USD 1,212,941	5	0.00
Buy USD 1,845,347 Sell THB 57,141,000 20/07/2020	USD 1,845,347	(3)	0.00
Buy USD 1,780,294 Sell TWD 52,281,000 08/07/2020	USD 1,780,294	5	0.00
Buy USD 2,169,072 Sell TWD 64,730,000 08/07/2020	USD 2,169,072	(23)	(0.02)
Buy USD 1,676,466 Sell TWD 49,014,000 10/08/2020	USD 1,676,466	5	0.00
Buy USD 1,787,823 Sell ZAR 30,990,000 20/07/2020	USD 1,787,823	4	0.00
Buy ZAR 18,283,000 Sell USD 1,067,407 20/07/2020	ZAR 18,283,000	(13)	(0.01)
Sell AUD 797,000 Buy GBP 434,916 20/07/2020	AUD (797,000)	(10)	(0.01)
Sell CAD 108,000 Buy GBP 63,065 20/07/2020	CAD (108,000)	(1)	0.00
Sell CHF 1,166,000 Buy GBP 976,274 20/07/2020	CHF (1,166,000)	(24)	(0.02)
Sell DKK 167,000 Buy GBP 20,100 2 0/07/2020	DKK (167,000)	0	0.00
Sell EUR 9,708,000 Buy GBP 8,727,414 20/07/2020	EUR (9,708,000)	(144)	(0.12)
Sell HKD 8,036,000 Buy GBP 820,301 20/07/2020	HKD (8,036,000)	(25)	(0.02)
Sell JPY 125,603,000 Buy GBP 924,891 20/07/2020	JPY (125,603,000)	(25)	(0.02)

	Holding at 30.6.20	Market Value £000's	% of net assets
Sell SEK 241,000 Buy GBP 20,594 20/07/2020	SEK (241,000)	0	0.00
Sell USD 1,899,693 Buy GBP 1,546,162 06/07/2020	USD (1,899,693)	(2)	0.00
Sell USD 85,137,000 Buy GBP 67,428,739 20/07/2020	USD (85,137,000)	(1,952)	(1.56)
<b>Forward Foreign Currency Contracts total</b>		<b>(1,943)</b>	<b>(1.56)</b>
<b>Futures 0.56% (0.20%)</b>			
Australia 10 Year Bond September 2020	136	124	0.10
Canada 10 Year Bond September 2020	(3)	(3)	0.00
Euro-Bund September 2020	(7)	(13)	(0.01)
Euro-Buxl 30 Year Bond September 2020	2	9	0.01
EURO STOXX 50 Index September 2020	127	140	0.11
FTSE 100 Index September 2020	(2)	(2)	0.00
Hang Seng Mini Index July 2020	(4)	1	0.00
Japan 10 Year Bond Mini September 2020	(11)	1	0.00
Long Gilt September 2020	(11)	(6)	(0.01)
MSCI Emerging Markets Index September 2020	47	23	0.02
NASDAQ 100 Emini Index September 2020	17	150	0.12
OMXS30 Index July 2020	1	0	0.00
Russell 2000 Emini Index September 2020	43	147	0.12
S&P 500 Emini Index September 2020	(10)	6	0.00

# Portfolio Statement (continued)

	Holding at 30.6.20	Market Value £000's	% of net assets
S&P 500 Industrial Sector Emini Index September 2020	22	(24)	(0.02)
SPI 200 Index September 2020	(1)	(2)	0.00
TOPIX Mini Index September 2020	(4)	2	0.00
US 2 Year Note September 2020	92	19	0.02
US 5 Year Note September 2020	74	40	0.03
US 10 Year Note September 2020	195	72	0.06
US Long Bond September 2020	7	10	0.01
<b>Futures total</b>		<b>694</b>	<b>0.56</b>
Portfolio of investments		<b>119,376</b>	<b>95.57</b>
Net other assets		5,533	4.43
<b>Net assets attributable to shareholders</b>		<b>124,909</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.

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 (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(9,734)		2,368
Revenue	585		265	
Expenses	(172)		(62)	
Interest payable and similar charges	(153)		0	
Net revenue before taxation	<b>260</b>		<b>203</b>	
Taxation	(52)		(39)	
Net revenue after taxation		<b>208</b>		<b>164</b>
<b>Total return before distributions</b>		<b>(9,526)</b>		<b>2,532</b>
Distributions		3		120
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(9,523)</b>		<b>2,652</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20		30.6.19	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		156,604 <sup>^</sup>		49,511
Amounts receivable on issue of shares	8,546		70,406	
Amounts payable on cancellation of shares	(30,739)		(16,437)	
		<b>(22,193)</b>		<b>53,969</b>
Dilution adjustment		21		1
Change in net assets attributable to shareholders from investment activities		(9,523)		2,652
<b>Closing net assets attributable to shareholders</b>		<b>124,909</b>		<b>106,133<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.



# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	122,415	152,188
<b>Current assets</b>		
Debtors	237	284
Cash and bank balances	5,799	7,892
<b>Total assets</b>	<b>128,451</b>	<b>160,364</b>
<b>Liabilities</b>		
Investment liabilities	(3,039)	(3,175)
<b>Creditors</b>		
Bank overdrafts	(151)	(309)
Distributions payable	0	(50)
Other creditors	(352)	(226)
<b>Total liabilities</b>	<b>(3,542)</b>	<b>(3,760)</b>
<b>Net assets attributable to shareholders</b>	<b>124,909</b>	<b>156,604</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder Multi-Asset Total Return Fund are disclosed on page 8.

# Securities Financing Transactions

The Fund 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). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to Securities Financing Transactions for the accounting period ended 30 June 2020 are detailed below.

## Global data

### Amount of assets engaged in each type of Securities Financing Transactions and Total Return Swaps

The total value of assets engaged in each type of Securities Financing Transactions including Total Return Swaps was as follows:

30.6.20	Total £000's	% of Net Assets
Total Return Swaps	253	0.20%

## Concentration data

### Ten largest collateral issuers across all Securities Financing Transactions and Total Return Swaps

As at the balance sheet date, there are no collateral securities and commodities received in respect of Total Return Swaps.

### Top ten counterparties

The top ten counterparties (based on gross volume of outstanding transactions) in respect of Over The Counter derivative transactions, as at the balance sheet date was as follows:

Counterparty	Total £000's
JPMorgan Chase	253

## Aggregate transaction data

### Type and quality of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

### Maturity tenor of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

### Currency of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

### Maturity tenor of Securities Financing Transactions and Total Return Swaps

An analysis of the maturity tenor of Total Return Swaps, outstanding as at the balance sheet date was as follows:

Maturity tenor	Total Return Swaps £000's
1 to 3 months	253
<b>Total</b>	<b>253</b>

The above maturity tenor analysis has been based on the respective transaction contractual maturity date. Open maturity transactions are those transactions that are callable or terminable on a daily basis.

# Securities Financing Transactions (continued)

## Country in which counterparties are established

Details of the country of incorporation of counterparties across all Securities Financing Transactions Total Return Swaps, as at the balance sheet date was as follows:

Country	Total Return Swaps £000's	Total £000's
United Kingdom	253	253

## Settlement and clearing

	Total £000's
Bilateral	253

## Safekeeping of collateral

### Collateral received

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

### Collateral granted

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

## Return and cost

### Gross Return

All returns from Total Return Swaps transactions accrue to the Fund and are not subject to any returns sharing arrangements with the Authorised Corporate Director or any other third party.

	Total Return Swaps return* £000's	% of overall returns
Net realised gains	95	95.96%
Net change in unrealised gains	4	4.04%
<b>Total</b>	<b>99</b>	<b>100.00%</b>

\* Expressed in absolute terms.

# Schroder India Equity Fund

## Fund Information

### Investment objective and policy

The Schroder India Equity Fund (the 'Fund') aims to provide capital growth in excess of the MSCI India Total Return index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of Indian companies.

The Fund invests at least 80% of its assets in equity and equity related securities of Indian companies or companies which have their principal business activities in India. Typically, the Fund holds 30 to 70 companies.

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

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

### Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI India (Net Total Return) index. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of this benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

### Total purchases and sales

	For the period to 30.6.20 £000's	For the year to 31.12.19 £000's
Total purchases	10,984	22,659
Total sales	5,655	2,949

## Fund Performance

	Number of shares in issue 30.6.20	Net asset value p per share 30.6.20	Net asset value p per share 31.12.19
L Accumulation shares	2,000	45.77	49.25
X Accumulation shares	51,337,000	46.14	49.46
Z Accumulation shares	567,585	45.75	49.26

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.

# Review of Investment Activities

From 31 December 2019 to 30 June 2020, the price of Z Accumulation shares on a dealing price to dealing price basis fell 7.1%. In the same period, the MSCI India index generated a negative net return of 11.0%<sup>1</sup> in sterling terms.

The profound economic impact of the coronavirus pandemic dominated investor sentiment over the period. The fund posted a loss but outperformed the index. Looking at sectors, overweight exposure to consumer staples, utilities and financials benefited performance. At a stock level the main contributor to performance was an overweight position in Avenue Supermarts.

The fund's exposure to financial companies was reduced during the period from 42% to 29% because of the weak economic outlook due to the Covid-19 pandemic. This included exiting our position in Bandhan Bank Limited. Meanwhile we increased exposure to consumer staples and healthcare. We also initiated a new position in Tata Consumer Products Limited during the period.

Covid-19 has impacted the Indian economy and slowed the pace of growth. This has changed the immediate outlook and we remain cautious on equities for the rest of the year as we expect a protracted recovery for the economy. We focus on capturing profitable growth over the medium term, so we are comfortable looking past short-term volatility.

## Fund Manager:

### Asian Investment Team

The fund is managed by the Schroders Asian investment team and advised by Axis AMC, who have eleven investment professionals based in Mumbai. Axis AMC is a joint venture between Axis Bank and Schroders

<sup>1</sup> Source: Schroders, Factset.

**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 was calculated using simulated performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A fund in the lowest category does not mean a risk-free investment.

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](http://www.schroders.com).

# Portfolio Statement

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Equities 95.71% (95.65%)</b>			
<b>Basic Materials 4.49% (3.87%)</b>			
Pidilite Industries	72,684	1,075	4.49
		<b>1,075</b>	<b>4.49</b>
<b>Industrials 5.71% (5.85%)</b>			
Astral Poly Technik	54,085	559	2.33
Eicher Motors	288	57	0.24
Shree Cement	2,613	648	2.71
V-Guard Industries	56,884	104	0.43
		<b>1,368</b>	<b>5.71</b>
<b>Consumer Goods 24.77% (18.96%)</b>			
Endurance Technologies	47,087	440	1.84
Mahindra & Mahindra	14,103	78	0.33
Maruti Suzuki India	21,479	1,350	5.64
Motherson Sumi Systems	713,395	727	3.04
Nestle India	8,004	1,480	6.18
Symphony	23,313	220	0.92
Tata Consumer Products	114,745	480	2.00
TTK Prestige	12,470	726	3.03
WABCO India	5,804	430	1.79
		<b>5,931</b>	<b>24.77</b>
<b>Health Care 5.49% (2.26%)</b>			
Divi's Laboratories	41,614	1,022	4.27
Dr Reddy's Laboratories	6,866	292	1.22
		<b>1,314</b>	<b>5.49</b>
<b>Consumer Services 11.96% (10.11%)</b>			
Avenue Supermarts	70,487	1,759	7.34
Info Edge India	37,169	1,106	4.62
		<b>2,865</b>	<b>11.96</b>

	Holding at 30.6.20	Market Value £000's	% of net assets
<b>Telecommunications 2.52% (0.67%)</b>			
Bharti Airtel	100,082	604	2.52
		<b>604</b>	<b>2.52</b>
<b>Utilities 4.53% (4.14%)</b>			
Torrent Power	316,231	1,085	4.53
		<b>1,085</b>	<b>4.53</b>
<b>Financials 29.53% (43.36%)</b>			
Bajaj Finance	35,427	1,080	4.51
Bajaj Finserv	366	23	0.10
Cholamandalam Investment and Finance	115,036	235	0.98
HDFC Bank	147,710	1,698	7.09
HDFC Life Insurance	16,312	97	0.40
Housing Development Finance	46,528	883	3.69
Kotak Mahindra Bank	100,274	1,463	6.11
MAS Financial Services	34,892	246	1.03
Multi Commodity Exchange of India	41,954	581	2.42
Sundaram Finance	39,488	623	2.60
Sundaram Finance Holdings	277,411	144	0.60
		<b>7,073</b>	<b>29.53</b>
<b>Technology 6.71% (6.43%)</b>			
Astra Microwave Products	62,215	70	0.29
Infosys	9,500	75	0.31
Tata Consultancy Services	65,029	1,462	6.11
		<b>1,607</b>	<b>6.71</b>
<b>Equities total</b>		<b>22,922</b>	<b>95.71</b>



# Portfolio Statement (continued)

	Market Value £000's	% of net assets
Portfolio of investments	22,922	95.71
Net other assets	1,027	4.29
<b>Net assets attributable to shareholders</b>	<b>23,949</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 December 2019.  
Unless otherwise stated, all securities are admitted to official stock exchange listings.

# Statement of Total Return (unaudited)

For the six months ended 30 June 2020

	30.6.20	7.6.19 to 30.6.19
	£000's	£000's
<b>Income</b>		
Net capital losses		(23)
Revenue	112	21
Expenses	(6)	0
Net revenue before taxation	106	21
Taxation	(1)	0
Net revenue after taxation	105	21
<b>Total return before distributions</b>	<b>(1,956)</b>	<b>(2)</b>
Distributions	1	0
<b>Change in net assets attributable to shareholders from investment activities</b>	<b>(1,955)</b>	<b>(2)</b>

# Statement of Change in Net Assets Attributable to Shareholders (unaudited)

For the six months ended 30 June 2020

	30.6.20	7.6.19 to 30.6.19
	£000's	£000's
Opening net assets attributable to shareholders	20,836 <sup>^</sup>	0
Amounts receivable on issue of shares	5,129	21,002
Amounts payable on cancellation of shares	(73)	0
	<b>5,056</b>	<b>21,002</b>
Dilution adjustment	12	0
Change in net assets attributable to shareholders from investment activities	(1,955)	(2)
<b>Closing net assets attributable to shareholders</b>	<b>23,949</b>	<b>21,000<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to shareholders for the current period do not equal the closing net assets attributable to shareholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 30 June 2020

	30.6.20	31.12.19
	£000's	£000's
<b>Assets</b>		
Investments	22,922	19,929
<b>Current assets</b>		
Debtors	67	0
Cash and bank balances	962	1,183
<b>Total assets</b>	<b>23,951</b>	<b>21,112</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Other creditors	(2)	(276)
<b>Total liabilities</b>	<b>(2)</b>	<b>(276)</b>
<b>Net assets attributable to shareholders</b>	<b>23,949</b>	<b>20,836</b>

# Notes to the Accounts (unaudited)

## Accounting policies

The applicable accounting policies adopted by Schroder India Equity Fund are disclosed on page 8.

# General Information

## Authorised Corporate Director

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

Authorised and regulated by the Financial Conduct Authority

## Directors

P. Chislett  
C. Minio Paluello  
J. Rainbow  
S. Reedy  
C. Thomson  
P. Truscott  
H. Williams

## Investment Adviser

Schroder Investment Management Limited  
1 London Wall Place  
London EC2Y 5AU

Authorised and regulated by the Financial Conduct Authority

Schroder India Equity Fund  
Schroder Investment Management (Singapore) Ltd  
138 Market Street  
#23-01 CapitaGreen  
Singapore 04894646

Authorised to carry on investment business by the Monetary Authority of Singapore

## Depositary

J.P. Morgan Europe Limited  
Chaseside  
Bournemouth BH7 7DA

Authorised and regulated by the Financial Conduct Authority

## Registrar

To 21 June 2020  
Schroder Unit Trusts Limited  
1 London Wall Place  
London EC2Y 5AU

Authorised and regulated by the Financial Conduct Authority

From 22 June 2020  
HSBC Bank Plc  
8 Canada Square  
London E14 8HQ

Authorised and regulated by the Financial Conduct Authority

## Administration Details

Schroders Investor Services  
PO BOX 1402  
Sunderland SR43 4AF

## Independent Auditors

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

## Authorisation

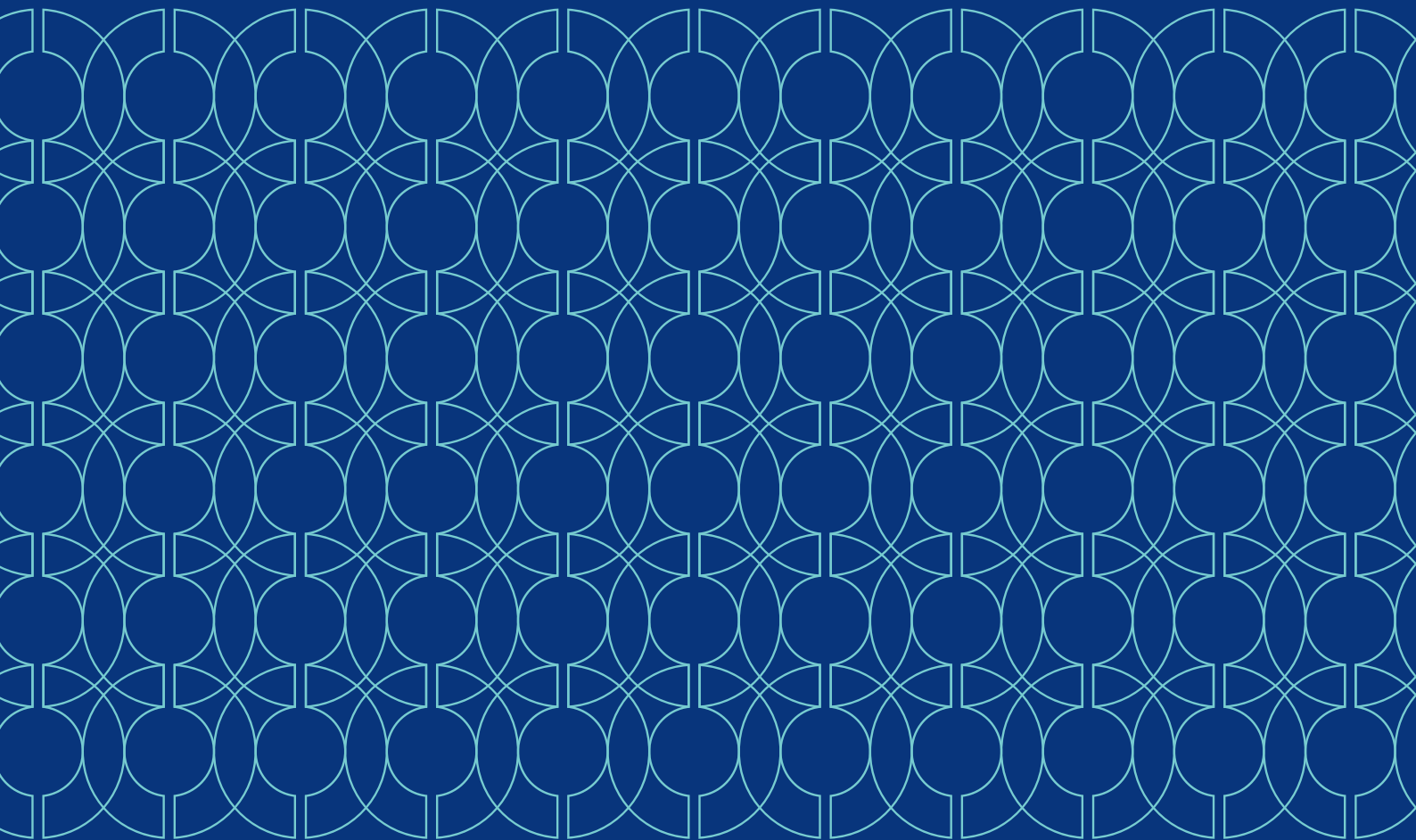
The Company is an investment company with variable capital under Regulation 12 of the OEIC Regulations, incorporated with limited liability in England and Wales and authorised by the Financial Conduct Authority under Regulation 14 of the OEIC Regulations. The Company is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

## Value assessment

A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at [www.Schroders.com](http://www.Schroders.com) within 4 months of the annual 'reference date' 31 December.

## Other information

The Prospectus, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website [www.schroders.com](http://www.schroders.com).



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For further literature please contact Schroder Investor Services on 0800 182 2399 or [schrodersinvestor@HSBC.com](mailto:schrodersinvestor@HSBC.com) for Retail Clients, or 0345 030 7277 or [schrodersinstitutional@HSBC.com](mailto:schrodersinstitutional@HSBC.com) for Institutional Clients, or visit our website at [www.schroders.com](https://www.schroders.com).

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