

Schroder Income Maximiser

August 2020

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1 Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder Income Maximiser (the 'Fund') aims to provide income and capital growth by investing in equity and equity-related securities of UK companies. The Fund aims to deliver an income of 7% per year but this is not guaranteed and could change depending on market conditions.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies which are selected for their long term income and capital growth potential. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

To seek to enhance the yield, the Investment Manager selectively sells short dated call options over individual securities, portfolios of securities or indices held by the Fund, by agreeing strike prices above which potential capital growth is sold.

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 section 6 of Appendix I of the Prospectus).

The Fund's investment strategy will typically underperform a similar portfolio without derivatives in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

Fund characteristics

The Fund's performance should be assessed against the income target of 7% per year, and compared against the FTSE All Share (Gross Total Return) index and the Investment Association UK Equity Income 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 Manager and the Manager believe that each of these benchmarks is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 August 2019 to 31 August 2020, the price of Z Accumulation units on a dealing price basis, which reflects the reinvestment of the distributions paid to unitholders, fell 18.35%. The Fund's performance should be assessed against the income target of 7% per year (the Fund has announced three of its four quarterly distributions for the year ending 30 November 2020, so far distributing 5.26% for the Z Income units where distributions are taken out of the fund and not reinvested), and compared against the FTSE¹ All Share index and the Investment Association UK Equity Income sector average return, which delivered a negative total return of 12.65%² and a negative total return of 12.43%² respectively.

UK equities fell sharply as the coronavirus pandemic caused a rapid decline in global financial markets. The fund price fell further than the wider market over the period under review.

The speed of market movements have made it difficult for investors to accurately reflect the impact of the pandemic on companies' valuations, and therefore to make sensible pricing decisions. As such, there are many pricing anomalies where prices have moved far further than fair values, and similarly some prices which have not moved enough to reflect the new reality. Up to this point, the market's focus has largely been on short-term profitability; it has not yet focused or distinguished between companies with differing balance sheet strength as it almost inevitably will in due course. Every company we own in the fund has been stress-tested, and we are confident that the vast majority are in significantly better financial shape than the average stock in the market. We believe, longer term, this does make a difference and it is our firm belief that we hold a selection of companies with some of the most attractive risk/reward profiles available to UK equity investors today.

The impact of the pandemic has also resulted in particular challenges for income-focused investors and 2020 is likely to see a very large cut in the UK market dividend. Widespread dividend cuts, such as those we have seen this year, will likely pose a significant challenge for "traditional" equity income funds if they are to meet their yield targets without fundamentally changing their portfolio characteristics. For Schroder Income Maximiser, however, we are able to supplement the dividends the fund receives by using our Maximiser option strategy, as we have since the fund's inception in 2005, to continue to target and meet the 7% income objective. This means the stock portfolio can remain focused on attractively priced companies with strong balance sheets, rather than pursuing a diminished selection of income opportunities in the equity markets. Against a challenging dividend backdrop over the past six months, the fund has been able to steadily increase the proportion of income it derives from the Maximiser option strategy - with the option strategy both generating the required income enhancement and contributing positively to the fund's performance over this period.

This remains a fluid environment, but, on a positive note, the level of yield currently available from the UK market does remain relatively attractive - particularly versus other asset classes and geographies - and, as companies return to the dividend register, growth from the new base could be significant.

The fund's yield strategy continues to perform as we would expect, and at present, the fund remains on track to deliver its 7% income objective over the 12 months to 30 November 2020.

We made a number of changes to the portfolio in the period, including selling our holding in Cisco and initiating a new position in Pfizer.

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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.

Fund Manager:

Global Value Team

The Global Value Team, specifically Nick Kirrage and Kevin Murphy, are responsible for stock selection in the underlying portfolio. The Global Value team has over 100 years of combined investment experience. Kevin and Nick have managed assets in a value style for 13 years and have managed the equity portfolio for Schroder Income Maximiser since 2010. They are co-heads of the Global Value Team, which consists of 9 investors who manage both value and income orientated portfolios across Global, European and UK equity. A dedicated Investment Director and Investment Specialist also support the team

Structured Fund Management Team

Schroders' Structured Fund Management Team consists of Jeegar Jagani, CFA, Scott Thomson and Ghokhulan Manickavasagar, reporting into Mike Hodgson, Head of Risk Managed Investments & Structuring. Mike and the team have 75 years of combined investment experience in derivatives and structuring, including the management of the £3.2 billion Maximiser range (as at 30 June 2020). The Maximiser range consists of 7 listed funds and segregated mandates, all of which apply a two-step income enhancement strategy investing in equities

Risk Profile

Risk and reward indicator



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

The risk and reward indicator changed from 5 to 6 with effect from 14 July 2020.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Statement of the Manager's Responsibilities

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

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

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

The Manager's report and accounts for the year ended 31 August 2020 were signed on 17 December 2020 on behalf of the Manager by:

P. Chislett
Directors

J. Rainbow

Report of the Trustee

Statement of the Trustee's responsibilities in respect of the Scheme and report of the Trustee to the unitholders of the Schroder Income Maximiser ('the Fund') for the year ended 31 August 2020

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

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

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

The Trustee must ensure that:

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

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

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

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

J.P. Morgan Europe Limited

Trustee

Bournemouth

21 September 2020

Independent Auditors' Report to the Unitholders of Schroder Income Maximiser

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Schroder Income Maximiser (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 August 2020 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Final Report and Accounts (the "Annual Report"), which comprise: the balance sheet as at 31 August 2020; the statement of total return, and the statement of change in net assets attributable to unitholders for the year then ended; the distribution tables; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

Manager's Report

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

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Statement of the Manager's Responsibilities set out on page 6, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the Unitholders of Schroder Income Maximiser (continued)

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

17 December 2020

Comparative Table

Financial year to 31 August	A Income units			A Accumulation units		
	2020 p per unit	2019 p per unit	2018 p per unit	2020 p per unit	2019 p per unit	2018 p per unit
Change in net asset value						
Opening net asset value	37.79	44.83	44.67	106.05	115.53	106.84
Return before operating charges*	(6.37)	(2.84)	4.35	(18.37)	(7.61)	10.56
Operating charges	(0.58)	(0.71)	(0.76)	(1.65)	(1.87)	(1.87)
Return after operating charges*	(6.95)	(3.55)	3.59	(20.02)	(9.48)	8.69
Distributions ¹	(2.13)	(3.49)	(3.43)	(6.12)	(9.25)	(8.42)
Retained distributions ¹	–	–	–	6.12	9.25	8.42
Closing net asset value	28.71	37.79	44.83	86.03	106.05	115.53
*after direct transaction costs of	(0.03)	(0.06)	(0.01)	(0.08)	(0.15)	(0.02)
Performance						
Return after charges (%)	(18.39)	(7.92)	8.04	(18.88)	(8.21)	8.13
Other information						
Closing net asset value (£000's)	83,106	134,469	166,429	51,728	82,541	101,641
Closing number of units	289,507,039	355,792,487	371,235,753	60,130,413	77,832,038	87,981,115
Operating charges (%)	1.66	1.66	1.66	1.66	1.66	1.66
Direct transaction costs (%)**	0.08	0.13	0.02	0.08	0.13	0.02
Prices						
Highest dealing price (p)	42.19	45.84	49.02	119.38	118.10	120.90
Lowest dealing price (p)	25.45	37.90	43.93	73.51	103.30	105.30

Comparative Table (continued)

Financial year to 31 August	L Income units			L Accumulation units		
	2020 p per unit	2019 p per unit	2018 p per unit	2020 p per unit	2019 p per unit	2018 p per unit
Change in net asset value						
Opening net asset value	41.59	49.01	48.51	64.94	70.28	64.56
Return before operating charges*	(7.11)	(3.20)	4.66	(11.40)	(4.77)	6.29
Operating charges	(0.32)	(0.39)	(0.42)	(0.51)	(0.57)	(0.57)
Return after operating charges*	(7.43)	(3.59)	4.24	(11.91)	(5.34)	5.72
Distributions ¹	(2.36)	(3.83)	(3.74)	(3.76)	(5.65)	(5.11)
Retained distributions ¹	–	–	–	3.76	5.65	5.11
Closing net asset value	31.80	41.59	49.01	53.03	64.94	70.28
*after direct transaction costs of	(0.03)	(0.06)	(0.01)	(0.05)	(0.09)	(0.01)
Performance						
Return after charges (%)	(17.86)	(7.33)	8.74	(18.34)	(7.60)	8.86
Other information						
Closing net asset value (£000's)	102,146	155,237	153,985	33,945	51,429	53,356
Closing number of units	321,172,621	373,214,634	314,184,786	64,015,954	79,197,012	75,923,175
Operating charges (%)	0.84	0.84	0.84	0.84	0.84	0.84
Direct transaction costs (%)**	0.08	0.13	0.02	0.08	0.13	0.02
Prices						
Highest dealing price (p)	46.53	50.14	53.49	73.26	71.89	73.40
Lowest dealing price (p)	28.12	41.70	47.84	45.18	63.23	63.67

Comparative Table (continued)

Financial year to 31 August	Q Income units		S Income units		
	2020 p per unit	2019 p per unit	2020 p per unit	2019 p per unit	2018 p per unit
Change in net asset value					
Opening net asset value	42.11	50.00	41.13	48.35	47.74
Return before operating charges*	(7.22)	(3.71)	(7.06)	(3.18)	4.55
Operating charges	(0.26)	(0.31)	(0.21)	(0.25)	(0.26)
Return after operating charges*	(7.48)	(4.02)	(7.27)	(3.43)	4.29
Distributions ¹	(2.39)	(3.87)	(2.34)	(3.79)	(3.68)
Retained distributions ¹	–	–	–	–	–
Closing net asset value	32.24	42.11	31.52	41.13	48.35
*after direct transaction costs of	(0.03)	(0.06)	(0.03)	(0.06)	(0.01)
Performance					
Return after charges (%)	(17.76)	(8.04)	(17.68)	(7.09)	8.99
Other information					
Closing net asset value (£000's)	6,489	6,075	10,587	27,876	32,377
Closing number of units	20,130,326	14,427,363	33,583,682	67,776,540	66,970,136
Operating charges (%)	0.69	0.69	0.54	0.54	0.54
Direct transaction costs (%)**	0.08	0.13	0.08	0.13	0.02
Prices					
Highest dealing price (p)	47.12	50.69	46.04	49.47	52.73
Lowest dealing price (p)	28.49	42.22	27.84	41.23	47.08

Q Income units

The unit class was launched on 3 September 2018.

Comparative Table (continued)

Financial year to 31 August	Z Income units			Z Accumulation units		
	2020 p per unit	2019 p per unit	2018 p per unit	2020 p per unit	2019 p per unit	2018 p per unit
Change in net asset value						
Opening net asset value	45.04	53.10	52.59	83.05	89.93	82.67
Return before operating charges*	(7.70)	(3.45)	5.05	(14.56)	(6.08)	8.06
Operating charges	(0.38)	(0.46)	(0.49)	(0.72)	(0.80)	(0.80)
Return after operating charges*	(8.08)	(3.91)	4.56	(15.28)	(6.88)	7.26
Distributions ¹	(2.55)	(4.15)	(4.05)	(4.80)	(7.22)	(6.54)
Retained distributions ¹	–	–	–	4.80	7.22	6.54
Closing net asset value	34.41	45.04	53.10	67.77	83.05	89.93
*after direct transaction costs of	(0.03)	(0.07)	(0.01)	(0.06)	(0.11)	(0.02)
Performance						
Return after charges (%)	(17.94)	(7.36)	8.67	(18.40)	(7.65)	8.78
Other information						
Closing net asset value (£000's)	411,654	563,987	561,168	70,177	113,966	122,002
Closing number of units	1,196,156,878	1,252,292,617	1,056,879,037	103,547,525	137,227,215	135,664,222
Operating charges (%)	0.91	0.91	0.91	0.91	0.91	0.91
Direct transaction costs (%)**	0.08	0.13	0.02	0.08	0.13	0.02
Prices						
Highest dealing price (p)	50.37	54.32	57.96	93.67	91.98	93.95
Lowest dealing price (p)	30.44	45.16	51.86	57.77	80.87	81.52

¹ These figures have been rounded to 2 decimal places.

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

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

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Portfolio Statement

	Holding at 31.8.20	Market Value £000's	% of net assets
Equities 96.18% (99.43%)			
Oil & Gas 10.57% (10.77%)			
BP	11,444,552	30,236	3.93
Eni	3,466,819	24,672	3.20
Royal Dutch Shell B	2,487,949	26,447	3.44
		81,355	10.57
Basic Materials 12.15% (11.42%)			
Anglo American	2,106,335	38,597	5.02
BHP Group	1,717,947	29,418	3.82
South32	22,328,885	25,477	3.31
		93,492	12.15
Industrials 4.01% (2.73%)			
Rolls-Royce Holdings	3,606,859	8,696	1.13
Royal Mail	12,349,954	22,156	2.88
		30,852	4.01
Consumer Goods 4.11% (1.11%)			
Imperial Brands	2,527,182	31,665	4.11
		31,665	4.11
Health Care 8.52% (8.53%)			
GlaxoSmithKline	2,258,210	33,241	4.32
Pfizer	586,025	16,564	2.15
Sanofi	207,780	15,808	2.05
		65,613	8.52
Consumer Services 20.80% (24.00%)			
J Sainsbury	9,522,487	17,497	2.27
Marks & Spencer Group	19,590,142	21,765	2.82
Pearson	6,041,125	33,782	4.39
Reach	4,499,532	2,367	0.31
Tesco	14,466,413	31,623	4.11
William Hill	1,767,525	3,059	0.40

	Holding at 31.8.20	Market Value £000's	% of net assets
Wm Morrison Supermarkets	14,805,049	28,470	3.70
WPP	3,342,608	21,580	2.80
		160,143	20.80
Telecommunications 4.29% (3.68%)			
BT Group	15,332,160	16,045	2.09
Vodafone Group	15,217,748	16,959	2.20
		33,004	4.29
Utilities 4.88% (4.76%)			
Centrica	49,322,701	22,708	2.95
Drax Group	5,307,472	14,861	1.93
		37,569	4.88
Financials 24.56% (28.00%)			
Aviva	9,814,915	27,747	3.60
Barclays	19,782,509	22,105	2.87
HSBC Holdings	1,372,555	4,531	0.59
Legal & General Group	8,706,814	18,920	2.46
Lloyds Banking Group	52,785,936	14,965	1.94
M&G	13,787,608	23,846	3.10
Natwest Group	19,387,317	21,859	2.84
Provident Financial	4,628,037	11,394	1.48
Standard Chartered	6,264,169	24,574	3.19
TP ICAP	6,302,610	19,160	2.49
		189,101	24.56
Technology 2.29% (4.43%)			
HP	1,006,337	15,051	1.96
Intel	67,329	2,541	0.33
		17,592	2.29
Equities total		740,386	96.18

Portfolio Statement (continued)

	Holding at 31.8.20	Market Value £000's	% of net assets
Corporate Bonds 2.51% (0.00%)			
Consumer Services 2.51% (0.00%)			
Carnival 11.5% 01/04/2023	15,723,000	13,143	1.71
Carnival 10.5% 01/02/2026	7,956,000	6,160	0.80
		19,303	2.51
Corporate Bonds total			
		19,303	2.51
Options (0.55)% ((0.33)%)			
Written Options (0.55)% ((0.33)%)			
Anglo American Call 20.98 02/09/2020	(151,385)	0	0.00
Anglo American Call 21.486 09/09/2020	(194,068)	0	0.00
Anglo American Call 20.738 16/09/2020	(246,560)	(2)	0.00
Anglo American Call 21.162 30/09/2020	(336,817)	(8)	0.00
Anglo American Call 21.497 21/10/2020	(364,836)	(23)	0.00
Anglo American Call 21.567 04/11/2020	(262,993)	(31)	0.00
Anglo American Call 21.837 11/11/2020	(284,154)	(34)	(0.01)
Anglo American Call 21.023 25/11/2020	(223,395)	(67)	(0.01)
Aviva Call 3.194 02/09/2020	(1,082,534)	0	0.00
Aviva Call 3.268 09/09/2020	(1,126,432)	0	0.00
Aviva Call 3.087 16/09/2020	(852,547)	(3)	0.00
Aviva Call 3.152 30/09/2020	(1,202,620)	(8)	0.00
Aviva Call 3.181 07/10/2020	(1,146,105)	(9)	0.00
Aviva Call 3.241 21/10/2020	(1,056,101)	(10)	0.00
Aviva Call 3.147 04/11/2020	(826,934)	(32)	0.00
Aviva Call 3.273 11/11/2020	(929,405)	(21)	0.00

	Holding at 31.8.20	Market Value £000's	% of net assets
Aviva Call 3.155 25/11/2020	(915,512)	(53)	(0.01)
Barclays Call 1.582 02/09/2020	(2,334,674)	0	0.00
Barclays Call 1.573 09/09/2020	(2,387,735)	0	0.00
Barclays Call 1.231 16/09/2020	(1,707,400)	(3)	0.00
Barclays Call 1.433 30/09/2020	(2,422,756)	0	0.00
Barclays Call 1.419 07/10/2020	(1,096,449)	0	0.00
Barclays Call 1.378 21/10/2020	(2,286,281)	(5)	0.00
Barclays Call 1.326 04/11/2020	(1,817,202)	(20)	0.00
Barclays Call 1.318 11/11/2020	(2,196,205)	(33)	0.00
Barclays Call 1.308 25/11/2020	(2,133,946)	(48)	(0.01)
BHP Group Call 19.115 02/09/2020	(289,322)	0	0.00
BHP Group Call 18.714 09/09/2020	(231,656)	0	0.00
BHP Group Call 18.702 16/09/2020	(116,814)	0	0.00
BHP Group Call 17.89 30/09/2020	(135,349)	(15)	0.00
BHP Group Call 18.48 21/10/2020	(117,529)	(12)	0.00
BHP Group Call 18.955 04/11/2020	(160,807)	(16)	0.00
BHP Group Call 19.826 11/11/2020	(291,330)	(11)	0.00
BHP Group Call 18.723 25/11/2020	(340,781)	(80)	(0.01)
BP Call 3.861 02/09/2020	(1,240,980)	0	0.00
BP Call 3.955 09/09/2020	(1,258,354)	0	0.00
BP Call 3.128 16/09/2020	(994,146)	(1)	0.00
BP Call 3.605 30/09/2020	(1,612,118)	0	0.00
BP Call 3.46 07/10/2020	(1,402,723)	(1)	0.00

Portfolio Statement (continued)

	Holding at 31.8.20	Market Value £000's	% of net assets
BP Call 3.416 21/10/2020	(1,216,488)	(4)	0.00
BP Call 3.467 04/11/2020	(743,947)	(4)	0.00
BP Call 3.473 11/11/2020	(1,134,739)	(7)	0.00
BP Call 3.116 25/11/2020	(1,096,272)	(45)	(0.01)
BT Group Call 1.406 02/09/2020	(1,085,759)	0	0.00
BT Group Call 1.446 09/09/2020	(1,110,435)	0	0.00
BT Group Call 1.199 16/09/2020	(1,659,289)	(3)	0.00
BT Group Call 1.364 30/09/2020	(1,850,725)	0	0.00
BT Group Call 1.303 07/10/2020	(2,566,339)	(4)	0.00
BT Group Call 1.349 21/10/2020	(2,045,702)	(3)	0.00
BT Group Call 1.285 04/11/2020	(1,390,523)	(8)	0.00
BT Group Call 1.312 11/11/2020	(1,450,143)	(7)	0.00
BT Group Call 1.288 25/11/2020	(1,269,289)	(10)	0.00
Centrica Call 0.571 02/09/2020	(3,491,690)	0	0.00
Centrica Call 0.573 09/09/2020	(3,571,046)	0	0.00
Centrica Call 0.545 16/09/2020	(3,171,999)	(3)	0.00
Centrica Call 0.558 30/09/2020	(3,190,538)	(7)	0.00
Centrica Call 0.492 07/10/2020	(3,991,827)	(50)	(0.01)
Centrica Call 0.517 21/10/2020	(3,346,246)	(37)	(0.01)
Centrica Call 0.58 04/11/2020	(8,252,482)	(53)	(0.01)
Centrica Call 0.605 11/11/2020	(4,671,333)	(28)	0.00
Centrica Call 0.539 25/11/2020	(2,287,610)	(42)	(0.01)
Drax Group Call 2.578 09/09/2020	(158,788)	(34)	(0.01)

	Holding at 31.8.20	Market Value £000's	% of net assets
Drax Group Call 3.007 16/09/2020	(97,312)	0	0.00
Drax Group Call 3.024 30/09/2020	(155,514)	(5)	0.00
Drax Group Call 2.946 07/10/2020	(213,769)	(16)	0.00
Drax Group Call 3.122 21/10/2020	(151,740)	(9)	0.00
Drax Group Call 3.281 11/11/2020	(208,429)	(15)	0.00
Drax Group Call 3.191 25/11/2020	(129,145)	(19)	0.00
Eni Call 10.1 02/09/2020	(169,350)	0	0.00
Eni Call 10.338 09/09/2020	(156,540)	0	0.00
Eni Call 8.775 16/09/2020	(419,438)	(5)	0.00
Eni Call 9.297 30/09/2020	(425,148)	(2)	0.00
Eni Call 9.379 07/10/2020	(442,154)	(3)	0.00
Eni Call 11.05 21/10/2020	(374,770)	0	0.00
Eni Call 9.027 04/11/2020	(676,414)	(40)	(0.01)
Eni Call 9.188 11/11/2020	(353,097)	(19)	0.00
Eni Call 8.898 25/11/2020	(258,788)	(29)	0.00
GlaxoSmithKline Call 17.661 02/09/2020	(330,334)	0	0.00
GlaxoSmithKline Call 17.442 09/09/2020	(323,065)	0	0.00
GlaxoSmithKline Call 16.166 16/09/2020	(183,370)	(1)	0.00
GlaxoSmithKline Call 17.225 30/09/2020	(291,630)	0	0.00
GlaxoSmithKline Call 16.998 07/10/2020	(269,434)	(1)	0.00
GlaxoSmithKline Call 16.7 21/10/2020	(123,118)	(3)	0.00
GlaxoSmithKline Call 16.567 04/11/2020	(163,945)	(12)	0.00
GlaxoSmithKline Call 16.959 11/11/2020	(255,044)	(15)	0.00

Portfolio Statement (continued)

	Holding at 31.8.20	Market Value £000's	% of net assets
GlaxoSmithKline Call 15.963 25/11/2020	(273,105)	(57)	(0.01)
Hewlett Packard Call 20.6 16/09/2020	(154,700)	(29)	0.00
Hewlett Packard Call 20.16 07/10/2020	(142,300)	(57)	(0.01)
Hewlett Packard Call 21.1 21/10/2020	(116,400)	(40)	(0.01)
Hewlett Packard Call 21.71 04/11/2020	(307,900)	(99)	(0.01)
Hewlett Packard Call 22.68 11/11/2020	(209,600)	(50)	(0.01)
Hewlett Packard Call 22.13 25/11/2020	(41,400)	(15)	0.00
HSBC Holdings Call 4.511 02/09/2020	(233,202)	0	0.00
HSBC Holdings Call 4.517 09/09/2020	(238,502)	0	0.00
HSBC Holdings Call 4.207 30/09/2020	(318,003)	0	0.00
HSBC Holdings Call 4.371 07/10/2020	(330,723)	0	0.00
HSBC Holdings Call 4.16 21/10/2020	(252,125)	0	0.00
Imperial Brands Call 17.01 02/09/2020	(225,919)	0	0.00
Imperial Brands Call 17.011 09/09/2020	(223,212)	0	0.00
Imperial Brands Call 14.322 16/09/2020	(251,761)	(6)	0.00
Imperial Brands Call 16.809 30/09/2020	(175,717)	0	0.00
Imperial Brands Call 16.109 07/10/2020	(179,229)	(1)	0.00
Imperial Brands Call 15.235 21/10/2020	(223,524)	(15)	0.00
Imperial Brands Call 14.709 04/11/2020	(288,369)	(49)	(0.01)
Imperial Brands Call 14.974 11/11/2020	(284,019)	(45)	(0.01)
Imperial Brands Call 14.37 25/11/2020	(211,396)	(44)	(0.01)
Intel Call 51.51 16/09/2020	(19,900)	(7)	0.00
Intel Call 57.16 04/11/2020	(12,800)	(6)	0.00

	Holding at 31.8.20	Market Value £000's	% of net assets
Intel Call 58.45 11/11/2020	(10,600)	(4)	0.00
Intel Call 57.18 25/11/2020	(22,600)	(12)	0.00
J Sainsbury Call 2.201 02/09/2020	(1,123,795)	0	0.00
J Sainsbury Call 2.242 09/09/2020	(721,486)	0	0.00
J Sainsbury Call 1.99 16/09/2020	(669,653)	(1)	0.00
J Sainsbury Call 2.223 30/09/2020	(1,109,356)	0	0.00
J Sainsbury Call 2.116 07/10/2020	(1,450,419)	(1)	0.00
J Sainsbury Call 2.086 21/10/2020	(1,002,788)	(4)	0.00
J Sainsbury Call 2.074 04/11/2020	(842,586)	(11)	0.00
J Sainsbury Call 2.133 11/11/2020	(1,046,384)	(11)	0.00
J Sainsbury Call 2.026 25/11/2020	(928,587)	(27)	0.00
Legal & General Group Call 2.669 02/09/2020	(576,905)	0	0.00
Legal & General Group Call 2.454 16/09/2020	(2,535,842)	(1)	0.00
Legal & General Group Call 2.524 21/10/2020	(372,554)	(2)	0.00
Legal & General Group Call 2.485 04/11/2020	(2,319,871)	(37)	(0.01)
Legal & General Group Call 2.589 11/11/2020	(1,996,584)	(16)	0.00
Legal & General Group Call 2.442 25/11/2020	(730,921)	(27)	0.00
Lloyds Banking Group Call 0.422 02/09/2020	(6,229,789)	0	0.00
Lloyds Banking Group Call 0.436 09/09/2020	(6,371,375)	0	0.00
Lloyds Banking Group Call 0.392 30/09/2020	(6,254,899)	0	0.00
Lloyds Banking Group Call 0.385 07/10/2020	(6,109,953)	0	0.00
Lloyds Banking Group Call 0.363 21/10/2020	(3,254,514)	0	0.00
Lloyds Banking Group Call 0.334 04/11/2020	(3,908,916)	(9)	0.00

Portfolio Statement (continued)

	Holding at 31.8.20	Market Value £000's	% of net assets
Lloyds Banking Group Call 0.348 11/11/2020	(5,545,451)	(8)	0.00
Lloyds Banking Group Call 0.334 25/11/2020	(9,557,617)	(40)	(0.01)
M&G Call 1.793 02/09/2020	(1,274,315)	(12)	0.00
M&G Call 1.885 09/09/2020	(1,303,277)	(7)	0.00
M&G Call 1.881 16/09/2020	(1,405,844)	(16)	0.00
M&G Call 1.994 30/09/2020	(1,018,919)	(9)	0.00
M&G Call 2.026 07/10/2020	(1,409,145)	(15)	0.00
M&G Call 1.979 21/10/2020	(1,032,140)	(25)	0.00
M&G Call 1.925 04/11/2020	(1,254,064)	(56)	(0.01)
M&G Call 1.953 11/11/2020	(1,076,514)	(48)	(0.01)
M&G Call 2.009 25/11/2020	(1,055,588)	(44)	(0.01)
Marks & Spencer Group Call 1.332 02/09/2020	(2,311,967)	0	0.00
Marks & Spencer Group Call 1.332 09/09/2020	(2,257,325)	0	0.00
Marks & Spencer Group Call 1.257 16/09/2020	(1,995,244)	(5)	0.00
Marks & Spencer Group Call 1.199 30/09/2020	(1,409,234)	(25)	0.00
Marks & Spencer Group Call 1.152 07/10/2020	(2,250,532)	(86)	(0.01)
Marks & Spencer Group Call 1.161 21/10/2020	(1,495,959)	(65)	(0.01)
Marks & Spencer Group Call 1.269 04/11/2020	(1,646,077)	(34)	(0.01)
Marks & Spencer Group Call 1.373 11/11/2020	(1,364,106)	(12)	0.00
Marks & Spencer Group Call 1.325 25/11/2020	(1,535,133)	(28)	0.00

	Holding at 31.8.20	Market Value £000's	% of net assets
Northumbrian Water Group Call 1.613 02/09/2020	(2,287,870)	0	0.00
Northumbrian Water Group Call 1.602 09/09/2020	(2,339,867)	0	0.00
Northumbrian Water Group Call 1.334 16/09/2020	(1,576,748)	0	0.00
Northumbrian Water Group Call 1.546 30/09/2020	(2,374,188)	0	0.00
Northumbrian Water Group Call 1.521 07/10/2020	(1,074,468)	0	0.00
Northumbrian Water Group Call 1.453 21/10/2020	(2,136,434)	(5)	0.00
Northumbrian Water Group Call 1.368 04/11/2020	(1,965,933)	(26)	0.00
Northumbrian Water Group Call 1.447 11/11/2020	(2,214,193)	(17)	0.00
Northumbrian Water Group Call 1.387 25/11/2020	(1,433,853)	(27)	0.00
Pearson Call 6.016 02/09/2020	(375,405)	0	0.00
Pearson Call 6.257 09/09/2020	(311,474)	0	0.00
Pearson Call 6.678 30/09/2020	(256,661)	(1)	0.00
Pearson Call 6.669 07/10/2020	(331,884)	(2)	0.00
Pearson Call 6.587 21/10/2020	(331,183)	(8)	0.00
Pearson Call 6.205 04/11/2020	(323,140)	(34)	(0.01)
Pearson Call 7 11/11/2020	(682,869)	(12)	0.00
Pearson Call 6.598 25/11/2020	(252,062)	(16)	0.00
Pfizer Call 40.27 16/09/2020	(128,800)	(10)	0.00
Pfizer Call 37.3 07/10/2020	(163,600)	(192)	(0.03)
Pfizer Call 42.96 21/10/2020	(142,000)	(33)	(0.01)

Portfolio Statement (continued)

	Holding at 31.8.20	Market Value £000's	% of net assets
Pfizer Call 42.49 11/11/2020	(117,100)	(44)	(0.01)
Pfizer Call 42.31 25/11/2020	(19,300)	(9)	0.00
Provident Financial Call 2.876 09/09/2020	(425,936)	(2)	0.00
Provident Financial Call 2.024 16/09/2020	(133,955)	(60)	(0.01)
Provident Financial Call 2.111 30/09/2020	(100,999)	(40)	(0.01)
Provident Financial Call 1.951 07/10/2020	(106,017)	(56)	(0.01)
Provident Financial Call 1.974 21/10/2020	(92,519)	(50)	(0.01)
Rolls-Royce Holdings Call 4.422 02/09/2020	(400,674)	0	0.00
Rolls-Royce Holdings Call 3.157 16/09/2020	(223,972)	0	0.00
Rolls-Royce Holdings Call 4.2 30/09/2020	(492,254)	0	0.00
Rolls-Royce Holdings Call 4.213 07/10/2020	(219,797)	0	0.00
Rolls-Royce Holdings Call 3.96 21/10/2020	(57,167)	0	0.00
Rolls-Royce Holdings Call 3.611 04/11/2020	(468,261)	(1)	0.00
Rolls-Royce Holdings Call 3.636 11/11/2020	(727,694)	(2)	0.00
Rolls-Royce Holdings Call 3.256 25/11/2020	(472,451)	(9)	0.00
Royal Dutch Shell B Call 15.589 02/09/2020	(193,493)	0	0.00
Royal Dutch Shell B Call 15.806 09/09/2020	(156,344)	0	0.00
Royal Dutch Shell B Call 12.137 16/09/2020	(345,717)	(2)	0.00
Royal Dutch Shell B Call 14.514 30/09/2020	(201,507)	0	0.00
Royal Dutch Shell B Call 14.108 07/10/2020	(204,836)	0	0.00
Royal Dutch Shell B Call 13.629 21/10/2020	(214,646)	(2)	0.00
Royal Dutch Shell B Call 13.541 04/11/2020	(445,590)	(11)	0.00
Royal Dutch Shell B Call 14.108 11/11/2020	(296,624)	(5)	0.00

	Holding at 31.8.20	Market Value £000's	% of net assets
Royal Dutch Shell B Call 12.454 25/11/2020	(258,014)	(39)	(0.01)
Royal Mail Call 2.13 02/09/2020	(522,881)	0	0.00
Royal Mail Call 2.118 09/09/2020	(1,039,924)	(1)	0.00
Royal Mail Call 2.315 16/09/2020	(1,024,811)	(1)	0.00
Royal Mail Call 2.05 30/09/2020	(1,397,334)	(28)	0.00
Royal Mail Call 1.962 07/10/2020	(750,794)	(28)	0.00
Royal Mail Call 2.18 21/10/2020	(714,328)	(8)	0.00
Royal Mail Call 2.198 04/11/2020	(679,595)	(10)	0.00
Royal Mail Call 2.495 11/11/2020	(844,637)	(2)	0.00
Royal Mail Call 2.177 25/11/2020	(461,924)	(12)	0.00
Sanofi Call 95.567 02/09/2020	(44,630)	0	0.00
Sanofi Call 98.381 09/09/2020	(23,329)	0	0.00
Sanofi Call 97.841 30/09/2020	(54,754)	(2)	0.00
Sanofi Call 96.637 07/10/2020	(59,119)	(5)	0.00
Sanofi Call 96.433 21/10/2020	(2,910)	(1)	0.00
Sanofi Call 94.55 11/11/2020	(23,038)	(15)	0.00
South32 Call 1.455 09/09/2020	(298,615)	0	0.00
South32 Call 1.375 21/10/2020	(169,055)	0	0.00
South32 Call 1.32 25/11/2020	(124,459)	(1)	0.00
Standard Chartered Call 5.051 02/09/2020	(788,901)	0	0.00
Standard Chartered Call 5.252 09/09/2020	(806,831)	0	0.00
Standard Chartered Call 4.699 16/09/2020	(798,278)	(1)	0.00
Standard Chartered Call 5.081 30/09/2020	(729,953)	(1)	0.00

Portfolio Statement (continued)

	Holding at 31.8.20	Market Value £000's	% of net assets
Standard Chartered Call 5.143 07/10/2020	(795,229)	(1)	0.00
Standard Chartered Call 5.121 21/10/2020	(611,076)	(3)	0.00
Standard Chartered Call 5.213 11/11/2020	(444,056)	(5)	0.00
Standard Chartered Call 4.747 25/11/2020	(603,142)	(38)	(0.01)
Tesco Call 2.458 02/09/2020	(1,950,875)	0	0.00
Tesco Call 2.447 09/09/2020	(1,992,080)	0	0.00
Tesco Call 2.345 16/09/2020	(1,841,405)	(6)	0.00
Tesco Call 2.416 30/09/2020	(1,957,796)	(5)	0.00
Tesco Call 2.304 07/10/2020	(1,276,059)	(33)	(0.01)
Tesco Call 2.28 21/10/2020	(1,536,805)	(57)	(0.01)
Tesco Call 2.42 11/11/2020	(1,013,231)	(14)	0.00
Tesco Call 2.35 25/11/2020	(2,608,833)	(93)	(0.01)
TP ICAP Call 3.989 02/09/2020	(147,178)	0	0.00
TP ICAP Call 3.789 09/09/2020	(139,657)	0	0.00
TP ICAP Call 3.361 16/09/2020	(179,837)	(1)	0.00
TP ICAP Call 4.206 30/09/2020	(84,300)	0	0.00
TP ICAP Call 3.895 07/10/2020	(103,048)	0	0.00
TP ICAP Call 3.7 04/11/2020	(118,057)	(1)	0.00
TP ICAP Call 3.354 25/11/2020	(256,639)	(21)	0.00
Vodafone Group Call 1.493 02/09/2020	(1,500,649)	0	0.00
Vodafone Group Call 1.483 09/09/2020	(1,386,932)	0	0.00
Vodafone Group Call 1.302 16/09/2020	(1,288,859)	(1)	0.00
Vodafone Group Call 1.46 30/09/2020	(1,734,348)	0	0.00

	Holding at 31.8.20	Market Value £000's	% of net assets
Vodafone Group Call 1.396 07/10/2020	(2,253,421)	(3)	0.00
Vodafone Group Call 1.48 21/10/2020	(1,615,820)	(2)	0.00
Vodafone Group Call 1.364 04/11/2020	(1,632,676)	(12)	0.00
Vodafone Group Call 1.432 11/11/2020	(1,649,521)	(9)	0.00
Vodafone Group Call 1.322 25/11/2020	(1,573,491)	(27)	0.00
William Hill Call 1.775 09/09/2020	(817,826)	(31)	0.00
William Hill Call 1.57 21/10/2020	(949,699)	(220)	(0.03)
Wm Morrison Supermarkets Call 1.981 02/09/2020	(1,256,120)	(2)	0.00
Wm Morrison Supermarkets Call 1.995 09/09/2020	(1,012,003)	(8)	0.00
Wm Morrison Supermarkets Call 2.098 16/09/2020	(984,317)	(1)	0.00
Wm Morrison Supermarkets Call 2 30/09/2020	(1,478,024)	(22)	0.00
Wm Morrison Supermarkets Call 1.894 07/10/2020	(1,314,806)	(77)	(0.01)
Wm Morrison Supermarkets Call 1.94 21/10/2020	(1,205,864)	(51)	(0.01)
Wm Morrison Supermarkets Call 1.988 04/11/2020	(1,291,941)	(39)	(0.01)
Wm Morrison Supermarkets Call 2.042 11/11/2020	(1,338,863)	(25)	0.00
Wm Morrison Supermarkets Call 2.04 25/11/2020	(1,553,361)	(36)	(0.01)
WPP Call 7.81 02/09/2020	(394,477)	0	0.00
WPP Call 7.933 09/09/2020	(403,442)	0	0.00
WPP Call 6.809 1 6/09/2020	(323,530)	(37)	(0.01)
WPP Call 7.335 30/09/2020	(395,434)	(24)	0.00

Portfolio Statement (continued)

	Holding at 31.8.20	Market Value £000's	% of net assets
WPP Call 7.042 07/10/2020	(320,188)	(44)	(0.01)
WPP Call 7.095 21/10/2020	(246,245)	(34)	(0.01)
WPP Call 7.285 04/11/2020	(260,868)	(34)	(0.01)
WPP Call 7.278 25/11/2020	(232,001)	(41)	(0.01)
Written Options total		(4,196)	(0.55)

Forward Foreign Currency Contracts 0.37% ((0.23)%)

Buy EUR 6,606,000 Sell GBP 5,935,621 08/09/2020	EUR 6,606,000	(24)	(0.01)
Buy USD 20,876,000 Sell GBP 16,609,564 08/09/2020	USD 20,876,000	(918)	(0.12)
Sell EUR 55,912,000 Buy GBP 50,334,152 08/09/2020	EUR (55,912,000)	297	0.04
Sell USD 89,193,000 Buy GBP 70,565,278 08/09/2020	USD (89,193,000)	3,525	0.46
Forward Foreign Currency Contracts total		2,880	0.37

Portfolio of investments	758,373	98.51
Net other assets	11,459	1.49
Net assets attributable to unitholders	769,832	100.00

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

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

Statement of Total Return

For the year ended 31 August 2020

		2020	2019
	Notes	£000's	£000's
Income			
Net capital losses	2	(250,286)	(187,630)
Revenue	3	67,903	109,500
Expenses	4	(10,174)	(12,585)
Net revenue before taxation		57,729	96,915
Taxation	5	(4,630)	(6,899)
Net revenue after taxation		53,099	90,016
Total return before distributions		(197,187)	(97,614)
Distributions	6	(61,225)	(100,079)
Change in net assets attributable to unitholders from investment activities		(258,412)	(197,693)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 August 2020

	2020	2019
	£000's	£000's
Opening net assets attributable to unitholders	1,135,580	1,190,958
Amounts receivable on issue of units	74,132	227,882
Amounts payable on cancellation of units	(193,967)	(107,938)
	(119,835)	119,944
Dilution adjustment	47	178
Change in net assets attributable to unitholders from investment activities	(258,412)	(197,693)
Retained distribution on Accumulation units	12,434	22,173
Unclaimed distributions	18	20
Closing net assets attributable to unitholders	769,832	1,135,580

Balance Sheet

As at 31 August 2020

		2020	2019
	Notes	£000's	£000's
Assets			
Investments		763,511	1,129,212
Current assets			
Debtors	8	11,993	22,149
Cash and bank balances	9	14,703	57,199
Total assets		790,207	1,208,560
Liabilities			
Investment liabilities		(5,138)	(6,433)
Creditors			
Distributions payable		(11,628)	(26,344)
Other creditors	10	(3,609)	(40,203)
Total liabilities		(20,375)	(72,980)
Net assets attributable to unitholders		769,832	1,135,580

Notes to the Accounts

1 Accounting policies

Basis of preparation

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

Revenue

Dividends receivable from equity investments are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex-dividend. Interest receivable from bank balances is accounted for on an accruals basis. Interest receivable from debt securities is accounted for on an effective yield basis. Option premium received by the Fund is amortised to revenue over the period to maturity where the option is out of the money at the time the contract is written. Option premium is taken to capital for options that are in the money at the time of writing.

Special dividends

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

Equalisation

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

Interest on debt securities bought or sold

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

Expenses

All other expenses are initially charged to revenue but ultimately borne by the capital of the Fund. All expenses except for professional fee are accounted for on an accruals basis.

Taxation

Corporation tax is provided for on the revenue liable to corporation tax less deductible expenses. The tax effect of different items of revenue or expenses is allocated between revenue and capital using the marginal basis.

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

Distributions

The revenue available for distribution is the total revenue earned by the Fund, less deductible expenses and taxation charged to revenue. For Accumulation units this revenue is not distributed but automatically reinvested in the Fund and is reflected in the value of these units.

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

Dilution adjustment

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. If applied, the dilution adjustment is paid to the Fund. See Prospectus for further details.

Valuation

All investments held by the Fund have been valued at market value at 18:00 on the last working day of the accounting period. Market value is defined by the Statement of Recommended Practice as fair value which generally is the bid value of each security and the offer value for short positions.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at the exchange rates prevailing at the balance sheet date.

Notes to the Accounts (continued)

2 Net capital losses

The net capital losses during the year comprise:

	2020 £000's	2019 £000's
Non-derivative securities	(242,699)	(163,464)
Derivative contracts	(13,047)	(18,221)
Forward foreign currency contracts	7,390	(7,723)
Foreign currency (losses)/gains	(1,917)	1,791
Transaction costs	(13)	(13)
Net capital losses	(250,286)	(187,630)

3 Revenue

	2020 £000's	2019 £000's
UK dividends	30,485	57,619
Overseas dividends	5,546	8,418
Interest on debt securities	303	0
Bank interest	67	125
Net revenue return from derivative contracts	31,502	43,338
Total revenue	67,903	109,500

4 Expenses

	2020 £000's	2019 £000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual management charge ¹	8,568	10,660
Administration charge	1,491	1,813
	10,059	12,473
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	79	86
Safe custody fees	7	9
	86	95
Other expenses:		
Audit fee	13	10
Professional fee	5	0
Interest payable	11	7
	29	17
Total expenses	10,174	12,585

1 The Annual management charge has been reduced by £41 (2019 – £1) to ensure the Fund does not exceed the expenses cap.

Notes to the Accounts (continued)

5 Taxation

(a) Analysis of the tax charge for the year

	2020 £000's	2019 £000's
Corporation tax	4,340	6,176
Overseas withholding tax	485	723
Prior year adjustment	(195)	0
Total current tax (Note 5(b))	4,630	6,899

Corporation tax has been provided for at a rate of 20% (2019 – 20%).

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

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for authorised unit trusts of 20% (2019 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2020 £000's	2019 £000's
Net revenue before taxation	57,729	96,915
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	11,546	19,383
Effects of:		
Revenue not subject to corporation tax	(7,206)	(13,207)
Irrecoverable overseas withholding tax	485	723
Prior year adjustment	(195)	0
Current tax charge for the year (Note 5(a))	4,630	6,899

Notes to the Accounts (continued)

6 Distributions

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

	2020 £000's	2019 £000's
Quarterly Dividend distribution	10,359	16,336
Interim Dividend distribution	17,666	19,124
Quarterly Dividend distribution	17,757	32,677
Final Dividend distribution	14,524	33,449
	60,306	101,586
Add: Revenue deducted on cancellation of units	1,639	1,255
Deduct: Revenue received on issue of units	(720)	(2,762)
Distributions	61,225	100,079
Net revenue after taxation	53,099	90,016
Expenses taken to capital	10,159	12,578
Tax relief on capital gains	(2,032)	(2,516)
Movement in undistributed revenue	(1)	1
Distributions	61,225	100,079

Details of the distributions per unit are set out in the Distribution Table on pages 35 to 38.

7 Fair value hierarchy

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

Basis of valuation	2020		2019	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	740,386	0	1,129,106	0
Level 2: Observable market data	23,125	(5,138)	106	(6,433)
Level 3: Unobservable data	0	0	0	0
Total	763,511	(5,138)	1,129,212	(6,433)

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

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

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

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

Notes to the Accounts (continued)

8 Debtors

	2020 £000's	2019 £000's
Amounts receivable for issue of units	220	5,543
Sales awaiting settlement	5,806	1,150
Accrued revenue	5,464	15,226
Overseas withholding tax recoverable	308	230
Income tax recoverable	195	0
Total debtors	11,993	22,149

9 Cash and bank balances

	2020 £000's	2019 £000's
Cash and bank balances	14,703	54,849
Amounts held at futures clearing houses and brokers	0	2,350
Total cash and bank balances	14,703	57,199

10 Other creditors

	2020 £000's	2019 £000's
Amounts payable for cancellation of units	1,393	1,059
Purchases awaiting settlement	140	34,129
Accrued expenses	1,335	1,000
Corporation tax payable	741	4,015
Total other creditors	3,609	40,203

11 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2019 – Nil).

If a holder of a call option exercised the option, the fund would be liable for the difference between the strike price of the option and the market value of the underlying security at the point of exercise.

12 Related party transactions

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

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

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

Units held or managed by the Manager or associates of the Manager as a percentage of the Fund's net asset value at the balance sheet date were 3.43% (2019 – 4.38%).

Notes to the Accounts (continued)

13 Unit classes

The Fund currently has eight unit classes. The Annual Management charge is based on the average value of the Fund, calculated on a daily basis, and covers the remuneration of the Manager, the Investment Adviser and their overhead expenses and for each unit class is as follows:

A Income units	1.50%
A Accumulation units	1.50%
L Income units	0.675%
L Accumulation units	0.675%
Q Income units	0.68%
S Income units	0.375%
Z Income units	0.75%
Z Accumulation units	0.75%

The closing net asset value of each unit class, the closing net asset value per unit and the closing number of units in issue are given in the Comparative Table on pages 10 to 13. The distributions per unit class are given in the Distribution Table on pages 35 to 38. All classes have the same rights on winding up.

14 Derivative and other financial instruments

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

Market price risk

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

Derivative risk

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

Foreign currency risk

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

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

Liquidity risk

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

Interest rate risk

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

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

At the year end date 1.35% (2019: 5.04%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average rate. Foreign currency bank balances and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on the London Interbank Offer Rate or its international equivalent.

Fair value of financial assets and financial liabilities

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

Derivatives

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

Notes to the Accounts (continued)

Global risk exposure

Commitment approach

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

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

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 August 2020 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

2020				2019			
Lowest	Highest	Average	Leverage 31 August	Lowest	Highest	Average	Leverage 31 August
1.61%	35.08%	7.69%	15.95%	0.00%	4.40%	0.33%	2.20%

15 Direct transaction costs

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

2020	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	19,837	0	0	19,837	0.00	0.00
Equities	171,113	66	677	171,856	0.04	0.40
	190,950	66	677	191,693		
Sales						
Equities	318,446	(98)	(1)	318,347	(0.03)	(0.00)
Total cost of the Fund's average net asset value (%)		0.01	0.07			

2019	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	320,625	116	1,402	322,143	0.04	0.44
Corporate actions purchases:						
Equities	5,425	0	0	5,425	0.00	0.00
	326,050	116	1,402	327,568		
Sales						
Equities	220,165	(63)	(1)	220,101	(0.03)	(0.00)
Total cost of the Fund's average net asset value (%)		0.01	0.12			

¹ Excluding corporate actions.

Notes to the Accounts (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.06% (2019 – 0.05%).

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

16 Units in issue reconciliation

	Number of units in issue 31.8.19	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 31.8.20
A Income units	355,792,487	33,717,319	(61,363,870)	(38,638,897)	289,507,039
A Accumulation units	77,832,038	1,197,825	(13,824,523)	(5,074,927)	60,130,413
L Income units	373,214,634	26,283,944	(79,224,261)	898,304	321,172,621
L Accumulation units	79,197,012	3,003,467	(18,607,596)	423,071	64,015,954
Q Income units	14,427,363	6,623,586	(920,623)	0	20,130,326
S Income units	67,776,540	1,619,124	(35,854,540)	42,558	33,583,682
Z Income units	1,252,292,617	109,051,500	(195,256,441)	30,069,202	1,196,156,878
Z Accumulation units	137,227,215	4,367,173	(44,971,046)	6,924,183	103,547,525

17 Counterparty exposure

The types of derivatives held at the balance sheet date were forward foreign currency contracts and option contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Option contracts £000's	Total £000's
ANZ Banking Group			
2020	2	0	2
2019	0	0	0
Bank of America			
2020	0	0	0
2019	68	0	68
Banco Bilbao Vizcaya Argentaria			
2020	0	(102)	(102)
2019	0	(532)	(532)
BNP Paribas			
2020	(164)	0	(164)
2019	0	(1)	(1)
Canadian Imperial Bank of Commerce			
2020	0	(430)	(430)
2019	0	0	0

Notes to the Accounts (continued)

Counterparty	Forward foreign currency contracts £000's	Option contracts £000's	Total £000's
Citigroup			
2020	0	(1,056)	(1,056)
2019	(2,588)	0	(2,588)
Credit Suisse			
2020	0	0	0
2019	0	(372)	(372)
Deutsche Bank			
2020	0	0	0
2019	0	(16)	(16)
Goldman Sachs			
2020	0	(845)	(845)
2019	0	(425)	(425)
HSBC			
2020	0	(56)	(56)
2019	0	(6)	(6)
JPMorgan Chase			
2020	1,239	(137)	1,102
2019	0	(185)	(185)
Lloyds			
2020	280	0	280
2019	0	0	0
Merrill Lynch			
2020	0	(3)	(3)
2019	0	0	0
Morgan Stanley			
2020	0	(299)	(299)
2019	0	(919)	(919)
Natixis			
2020	0	0	0
2019	0	(5)	(5)
RBC			
2020	17	0	17
2019	0	(22)	(22)

Notes to the Accounts (continued)

Counterparty	Forward foreign currency contracts £000's	Option contracts £000's	Total £000's
Royal Bank of Canada			
2020	0	(296)	(296)
2019	0	0	0
Royal Bank of Scotland			
2020	0	(36)	(36)
2019	0	0	0
Société Générale			
2020	0	(489)	(489)
2019	0	(187)	(187)
State Street			
2020	1,718	0	1,718
2019	(25)	0	(25)
UBS			
2020	(212)	(447)	(659)
2019	0	(1,112)	(1,112)

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

Counterparty	2020 £000's	2019 £000's
Citigroup	0	2,350
JPMorgan Chase	106	0
State Street	1,310	0
Total	1,416	2,350

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

	2020 £000's	2019 £000's
Cash	1,416	2,350
Total	1,416	2,350

Notes to the Accounts (continued)

18 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the 28 August 2020 (the date of the latest available dealing price before the balance sheet date of 31 August 2020), the price of each unit class has changed as follows:

	Number of units in issue 14.12.20	Number of units in issue 31.8.20	% change	Dealing price p at 14.12.20	Dealing price p at 28.8.20	% change
A Accumulation units	55,177,904	60,130,413	(8.24)	97.72	86.29	13.25
A Income units	194,779,383	289,507,039	(32.72)	32.02	29.34	9.13
L Accumulation units	54,967,243	64,015,954	(14.14)	60.35	53.19	13.46
L Income units	268,653,335	321,172,621	(16.35)	35.54	32.51	9.32
Q Income units	18,801,465	20,130,326	(6.60)	36.04	32.94	9.41
S Income units	27,805,165	33,583,682	(17.21)	35.26	32.22	9.44
Z Accumulation units	84,918,864	103,547,525	(17.99)	77.12	67.98	13.45
Z Income units	1,141,589,597	1,196,156,878	(4.56)	38.45	35.17	9.33

The Fund experienced higher than average cancellation of units post year end. The liquidity measures within the fund remain within normal range and there is no immediate or material uncertainty about the viability of the fund as a going concern.

Distribution Table

Quarterly distribution for the three months ended 30 November 2019

Group 1 Units purchased prior to 1 September 2019

Group 2 Units purchased on or after 1 September 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution paid 31.1.20 p per unit	Distribution paid 31.1.19 p per unit
A Income units				
Group 1	0.3500	–	0.3500	0.5938
Group 2	0.0591	0.2909	0.3500	0.5938
A Accumulation units				
Group 1	0.9814	–	0.9814	1.5294
Group 2	0.1155	0.8659	0.9814	1.5294
L Income units				
Group 1	0.3852	–	0.3852	0.6492
Group 2	0.0701	0.3151	0.3852	0.6492
L Accumulation units				
Group 1	0.6009	–	0.6009	0.9304
Group 2	0.1559	0.4450	0.6009	0.9304
Q Income units				
Group 1	0.3900	–	0.3900	0.0000
Group 2	0.1639	0.2261	0.3900	0.0000
S Income units				
Group 1	0.3809	–	0.3809	0.6405
Group 2	0.0000	0.3809	0.3809	0.6405
Z Income units				
Group 1	0.4172	–	0.4172	0.7033
Group 2	0.0738	0.3434	0.4172	0.7033
Z Accumulation units				
Group 1	0.7689	–	0.7689	1.1906
Group 2	0.1819	0.5870	0.7689	1.1906

Distribution Table (continued)

Interim distribution for the three months ended 29 February 2020

Group 1 Units purchased prior to 1 December 2019

Group 2 Units purchased on or after 1 December 2019

	Net revenue 2020 p per unit	Equalisation 2020 p per unit	Distribution paid 30.4.20 p per unit	Distribution paid 30.4.19 p per unit
A Income units				
Group 1	0.6072	–	0.6072	0.6730
Group 2	0.0607	0.5465	0.6072	0.6730
A Accumulation units				
Group 1	1.7119	–	1.7119	1.7504
Group 2	0.6829	1.0290	1.7119	1.7504
L Income units				
Group 1	0.6693	–	0.6693	0.7370
Group 2	0.2117	0.4576	0.6693	0.7370
L Accumulation units				
Group 1	1.0498	–	1.0498	1.0666
Group 2	0.3497	0.7001	1.0498	1.0666
Q Income units				
Group 1	0.6778	–	0.6778	1.3949
Group 2	0.1676	0.5102	0.6778	1.3949
S Income units				
Group 1	0.6620	–	0.6620	0.7273
Group 2	0.3255	0.3365	0.6620	0.7273
Z Income units				
Group 1	0.7246	–	0.7246	0.7983
Group 2	0.2580	0.4666	0.7246	0.7983
Z Accumulation units				
Group 1	1.3424	–	1.3424	1.3646
Group 2	0.4556	0.8868	1.3424	1.3646

Distribution Table (continued)

Quarterly distribution for the three months ended 31 May 2020

Group 1 Units purchased prior to 1 March 2020

Group 2 Units purchased on or after 1 March 2020

	Net revenue 2020 p per unit	Equalisation 2020 p per unit	Distribution paid 31.7.20 p per unit	Distribution paid 31.7.19 p per unit
A Income units				
Group 1	0.6347	–	0.6347	1.1064
Group 2	0.3086	0.3261	0.6347	1.1064
A Accumulation units				
Group 1	1.8297	–	1.8297	2.9324
Group 2	1.0342	0.7955	1.8297	2.9324
L Income units				
Group 1	0.7009	–	0.7009	1.2135
Group 2	0.3373	0.3636	0.7009	1.2135
L Accumulation units				
Group 1	1.1120	–	1.1120	1.7895
Group 2	0.6722	0.4398	1.1120	1.7895
Q Income units				
Group 1	0.7099	–	0.7099	1.2278
Group 2	0.3539	0.3560	0.7099	1.2278
S Income units				
Group 1	0.6940	–	0.6940	1.1985
Group 2	0.4775	0.2165	0.6940	1.1985
Z Income units				
Group 1	0.7587	–	0.7587	1.3143
Group 2	0.3166	0.4421	0.7587	1.3143
Z Accumulation units				
Group 1	1.4336	–	1.4336	2.2894
Group 2	0.8517	0.5819	1.4336	2.2894

Distribution Table (continued)

Final distribution for the three months ended 31 August 2020

Group 1 Units purchased prior to 1 June 2020

Group 2 Units purchased on or after 1 June 2020

	Net revenue 2020 p per unit	Equalisation 2020 p per unit	Distribution payable 31.10.20 p per unit	Distribution paid 31.10.19 p per unit
A Income units				
Group 1	0.5415	–	0.5415	1.1212
Group 2	0.3849	0.1566	0.5415	1.1212
A Accumulation units				
Group 1	1.5921	–	1.5921	3.0382
Group 2	1.1167	0.4754	1.5921	3.0382
L Income units				
Group 1	0.6083	–	0.6083	1.2346
Group 2	0.3425	0.2658	0.6083	1.2346
L Accumulation units				
Group 1	0.9943	–	0.9943	1.8614
Group 2	0.6556	0.3387	0.9943	1.8614
Q Income units				
Group 1	0.6074	–	0.6074	1.2507
Group 2	0.3688	0.2386	0.6074	1.2507
S Income units				
Group 1	0.5998	–	0.5998	1.2210
Group 2	0.2845	0.3153	0.5998	1.2210
Z Income units				
Group 1	0.6507	–	0.6507	1.3367
Group 2	0.3768	0.2739	0.6507	1.3367
Z Accumulation units				
Group 1	1.2569	–	1.2569	2.3803
Group 2	0.7966	0.4603	1.2569	2.3803

Equalisation

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

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

Remuneration

UCITS remuneration disclosures for Schroder Unit Trusts Limited ('SUTL') for the year to 31 December 2019

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 72 to 108 of the 2019 Annual Report & Accounts (available on the Group's website – www.schroders.com/annualreport2019), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

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

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the UCITS Directive are met for all UCITS MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. During 2019 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

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

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

The remuneration data that follows reflects amounts paid in respect of performance during 2019.

- The total amount of remuneration paid by SUTL to its staff was nil as SUTL has no employees. SUTL has two independent Non Executive Directors who receive fees in respect of their role on the Board of SUTL¹. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to UCITS MRTs of SUTL. Most of those UCITS MRTs were employed by and provided services to other Schroders group companies and clients. As a result, only a portion of remuneration for those individuals is included in the aggregate remuneration figures that follow, based on an objective apportionment to reflect the balance of each role using relevant regulated AUM as a proportion of the total AUM within the scope of each role. The aggregate total remuneration paid to the 176 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2019, and attributed to SUTL or the UCITS funds that it manages, is £17.10 million, of which £3.29 million was paid to senior management, and £13.81 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and Control Function MRTs.

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

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

General Information

Manager

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

Authorised and regulated by the Financial Conduct Authority

Investment Adviser

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

Authorised and regulated by the Financial Conduct Authority

Trustee

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

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

Registrar

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

Authorised and regulated by the Financial Conduct Authority

The Manager is responsible for maintaining the register for each Fund. It has delegated certain registrar functions to HSBC Bank Plc, 8 Canada Square, London, E14 8HQ.

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

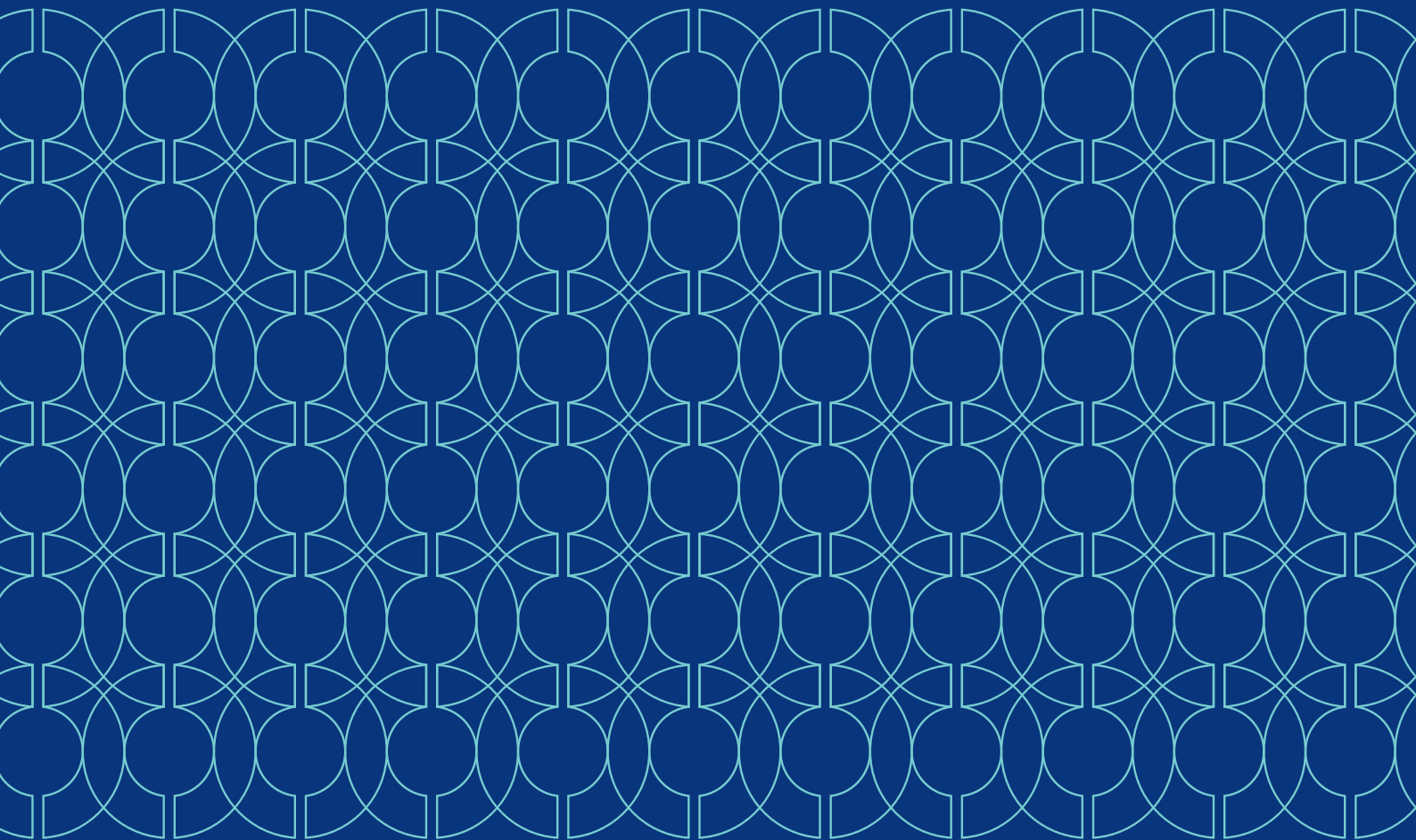
Value assessment

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

Other information

With effect from 14 November 2019 for Z Income units and Z Accumulation units the minimum initial investment decreased from £1,000,000 to £50,000, the minimum subsequent investment decreased from £100,000 to £10,000 and the minimum holding decreased from £1,000,000 to £50,000.

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



EST. 1804

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

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

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

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