

# SPW Investment Portfolio ICVC

Annual Long Report for the year  
ended 31st October 2023



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# SPW Investment Portfolio ICVC

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## The Company and Head Office

SPW Investment Portfolio ICVC  
1 London Wall  
London  
EC2Y 5EB

Incorporated in Great Britain under registered number IC000690. Authorised and regulated by the Financial Conduct Authority.

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## Authorised Corporate Director (ACD), Alternative Investment Fund Manager (AIFM)\*

Scottish Widows Schroder Personal Wealth (ACD) Limited

*Registered Office:*

25 Gresham Street  
London  
EC2V 7HN

*Correspondence Address:*

PO Box 560  
Darlington  
DL1 9ZB

Authorised and regulated by the Financial Conduct Authority and a member of The Investment Association.

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## Investment Adviser\*

Schroder Investment Management Limited

*Registered Office:*

1 London Wall Place  
London  
EC2Y 5AU

*Correspondence Address:*

1 London Wall Place  
London  
EC2Y 5AU

Authorised and regulated by the Financial Conduct Authority and a member of The Investment Association.

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## Depositary\*

State Street Trustees Limited

*Registered Office:*

20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

*Correspondence Address:*

Quartermile 3  
10 Nightingale Way  
Edinburgh  
EH3 9EG

Authorised and regulated by the Financial Conduct Authority.

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## Registrar\*

Link Fund Administrators Limited

65 Gresham Street  
London  
EC2V 7NQ

## Independent Auditors\*

Deloitte LLP  
110 Queen Street  
Glasgow  
G1 3BX

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\*The Company names and addresses form part of the Authorised Corporate Director's Report.

## Contents

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### Page

2	About the Company*
6	Statement of the Authorised Corporate Director's Responsibilities
6	Report of the Authorised Corporate Director*
7	Statement of Depositary's Responsibilities in respect of the Scheme and Report of the Depositary
8	Independent Auditor's Report
11	Summary of Significant Accounting Policies applicable to all sub-funds

### **Investment Markets Overview\*, Portfolio Statement\*, Material Portfolio Changes\*, Comparative Table and Financial Statements for:**

14	SPW Adventurous Solution
30	SPW Asset Allocator Fund
49	SPW Balanced Solution
68	SPW Cautious Solution
89	SPW Defensive Solution
108	SPW Discovery Solution
129	SPW Dynamic Solution
147	SPW IPS Growth Portfolio
170	SPW IPS Income Portfolio
190	SPW IPS Strategic Income Portfolio
207	SPW Strategic Solution
223	General Information

\*Collectively, these comprise the Authorised Corporate Director's Report in accordance with the Financial Conduct Authority's (the "FCA") Collective Investment Schemes Sourcebook (the "COLL Sourcebook").

## About the Company

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Welcome to the Annual Long Report for the SPW Investment Portfolio ICVC (the "Company") covering the year ended 31 October 2023 (the "Report"). The Authorised Corporate Director (the "ACD") and Alternative Investment Fund Manager (the "AIFM") of the Company is Scottish Widows Schroder Personal Wealth (ACD) Limited, a private company limited by shares which was incorporated in England and Wales on 11th December 2018. Its ultimate holding company is Scottish Widows Schroder Wealth Holdings Limited, which is incorporated in England and Wales.

The Company is an Open-Ended Investment Company ("OEIC") with variable capital, incorporated in Great Britain under registration number IC000690 and is authorised and regulated by the Financial Conduct Authority (the "FCA") under regulation 12 of the Open-Ended Investment Companies Regulations 2001 (SI2001/1228) (the "OEIC Regulations"), with effect from 7th August 2008.

Shareholders are not liable for the debts of the Company.

The Company is a non-UCITS retail scheme which complies with Chapter 5 of the Financial Conduct Authority's Collective Investment Schemes Sourcebook (the "COLL Sourcebook") and the Investment Funds Sourcebook (the "FUND Sourcebook").

The Company is structured as an umbrella fund, in that the scheme property of the Company is currently divided among 11 sub-funds (four of which are in the process of being terminated: the SPW Adventurous Solution, SPW Defensive Solution, SPW IPS Strategic Income Portfolio and SPW Strategic Solution - please refer to the Investment Objective and Policy in the Investment Markets Overview section, page 14, page 89, page 190 and page 207 respectively), each with different investment objectives. The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to the sub-fund. The investment objective, policies and a review of the investment activities during the year are disclosed in the Investment Markets Overview of the individual sub-funds. New sub-funds may be established from time to time by the ACD with the approval of the FCA and Depositary.

Each sub-fund would, if it were a separate investment company with variable capital, also be a non-UCITS retail scheme which complies with Chapter 5 of the COLL Sourcebook.

The assets of each sub-fund belong exclusively to that sub-fund and shall not be used or made available to discharge (directly or indirectly) the liabilities of, or claims against, any other person or body, including the Company and any other sub-fund and shall not be available for such purpose.

Under the OEIC Regulations, the assets of each sub-fund can only be used to meet the liabilities of, or claims against, that sub-fund. This is known as segregated liability. Provisions for segregated liability between funds were introduced in the OEIC Regulations in 2012. Where claims are brought by local creditors in foreign courts or under foreign law contracts, it is not yet known whether a foreign court would recognise the segregated liability and cross-investments provisions contained in the OEIC Regulations. Therefore, it is not possible to be certain that the assets of a sub-fund will always be completely protected from the liabilities of another sub-fund of the Company in every circumstance.

The Financial Statements have been prepared on an individual basis including the 11 sub-funds in existence during the year covered by this Annual Long Report, as permitted by the OEIC Regulations and the COLL Sourcebook.

The Report of the Authorised Corporate Director is defined as those items highlighted in the contents page in accordance with paragraph 4.5.9 of the COLL Sourcebook.

SPW's Value Assessment is available for review on SPW's website -

[https://assets.ctfassets.net/l7z7tydh3um/3N1bXHsnHbAfdRD8zWrkWA/24d4bf3f71f1c2f4d9fae6c8461f2c97/SPW\\_2023\\_AoV\\_Report.pdf](https://assets.ctfassets.net/l7z7tydh3um/3N1bXHsnHbAfdRD8zWrkWA/24d4bf3f71f1c2f4d9fae6c8461f2c97/SPW_2023_AoV_Report.pdf)

During the year there have been a number of changes to the Company. These changes are detailed in the section Prospectus changes below.

### Prospectus changes

During the year and up to the date of this report, the following changes were made to the Company and therefore the following changes were reflected in the Prospectus of SPW Investment Portfolio ICVC:

### Environmental, Social and Governance (ESG)

Since 30 November 2022, the sub-Funds of the SPW Investment Portfolio ICVC have been managed using a responsible investment approach in which environmental, social and governance (ESG) considerations are employed in the investment decision-making process. The Investment Objective of each of the sub-Funds has not been changed.

The sub-Funds primarily invest in collective investment schemes managed by the ACD or other managers. Where the sub-Funds invest in collective investment schemes managed by the ACD, these funds now: exclude companies that generate revenue above certain levels from specific environmentally and societally damaging activities; and apply a range of analysis relating to responsible investment considerations when selecting companies for investment.

Where the sub-Funds invest in actively managed collective investment schemes managed by other investment managers, the investment manager is now assessed on how well it is integrating responsible business practices factors into its business operations. The manager is also assessed on how well responsible investment considerations are being incorporated into the fund's investment selection framework. Passively managed funds (where the fund aims to match a benchmark and will buy, sell or hold investments depending on the components of that benchmark) are only subject to the investment manager assessment process.

### Fund Mergers

The ACD conducted the following schemes of arrangement (mergers) on 27 October 2023 whereby the property of:

- 1) SPW Defensive Solution merged into the property of SPW Cautious Solution;

## Prospectus changes (continued)

- 2) SPW Adventurous Solution merged into the property of SPW Dynamic Solution; and
- 3) SPW Strategic Solution merged into the property of SPW Dynamic Solution.

SPW Defensive Solution, SPW Adventurous Solution and SPW Strategic Solution are now in the process of being terminated.

On 16th October 2023, all shareholdings in the SPW IPS Strategic Income Portfolio were redeemed and the sub-fund was closed. The SPW IPS Strategic Income Portfolio will be terminated in the future.

A copy of the Prospectus is available on request.

## Russian sanctions

The ACD is monitoring the ongoing situation in Ukraine and the risks to the funds associated with sanctions being employed by a number of countries against Russia. The ICVC has no direct exposure to Russian investments. Whilst some of the funds in which it invests do, there is no effect on the valuation of the portfolio as at the year-end.

## Sub-fund cross-holdings

As at 31st October 2023 there were no shares in sub-funds of the SPW Investment Portfolio ICVC held by other sub-funds of the Company.

## Remuneration disclosures

Aggregate remuneration paid for the year ended 31st December 2022 to senior management and members of staff whose actions have a material impact on the risk profile of the UCITS (Identified Staff)					
	Senior management	Risk Takers	Control staff	Other members of staff with material impact	Total
Fixed remuneration	£2,871,533	£1,150,183	£590,040	£0	£4,611,756
Variable remuneration	£1,793,000	£258,000	£147,100	£0	£2,198,100
Carried interest	£0	£0	£0	£0	£0
TOTAL	£4,664,533	£1,408,183	£737,140	£0	£6,809,856
Number of Identified Staff	10	5	4	£0	19

Staff shown in the table above are employed by SPW in relation to activities relating to the management of UCITS funds and are subject to the SPW Remuneration Policy. They also perform other SPW activities; no staff are directly employed by the UCITS funds.

For the purpose of remuneration regulation, SPW is treated as a proportionality level III firm and subject to the Investment Firms Prudential Regime ("IFPR"), Undertakings for Collective Investment in Transferable Securities ("UCITS") and Alternative Investment Fund Managers Directive ("AIFMD") FCA Remuneration Codes. Most of these individuals are subject to more than one regulatory regime.

## Qualitative remuneration disclosure

### Decision-making process for remuneration policy

The SPW Remuneration Policy and the associated Reward Governance Framework define the remuneration policies, procedures and practices which apply in full to all colleagues. The Policy supports the long-term business strategy and recognises the interests of all relevant stakeholders. It supports consistent and effective risk management that accepts risk-taking in line with the risk appetite of SPW.

SPW has a strong belief in aligning the remuneration delivered to executives with the successful performance of the business and, through this, the delivery of long-term, superior and sustainable returns to shareholders. It has continued to seek the views of shareholders and other key stakeholders with regard to remuneration policy and seeks to motivate, incentivise and retain talent while being mindful of the economic outlook.

The overarching purpose of the Remuneration Committee is to consider, agree and recommend to the Board an overall remuneration policy and philosophy that is defined by, supports and is closely aligned to its long term business strategy, business objectives, risk appetite and values and recognises the interests of relevant stakeholders.

### Governance and risk management

An essential component of the approach to remuneration is the governance process that underpins it. This ensures that the policy is robustly applied and risk is managed appropriately.

In addition to setting the overall remuneration policy and philosophy, the Remuneration Committee ensures that colleagues who could have a material impact on SPW's risk profile are provided with appropriate incentives and reward to encourage them to enhance the performance of SPW and that they are recognised for their individual contribution to the success of the organisation, whilst ensuring that there is no reward for excessive risk taking.



### Remuneration disclosures (continued)

#### Governance and risk management (continued)

The Remuneration Committee determine whether the proposed bonus pool and proposed long-term incentive plan awards adequately reflect profit and business performance, including the capital adequacy of the business; risk appetite; current and future risks; and has the discretion to adjust the overall bonus or long-term incentive plan pools (upwards or downwards, potentially to nil) to take into account other factors. The Remuneration Committee ensure that the aggregate of the variable remuneration for all colleagues is appropriate and balanced with the interests of shareholders and all other stakeholders.

#### Composition of the Remuneration Committee

The members of the Committee during 2022 were Adam Seale (chairman), Dena Brumpton, Peter Hall, Stuart Sinclair and Jo Harris (who took over from Stuart Sinclair from the November committee meeting). James Rainbow acted as alternate for Peter Hall at several 2022 committee meetings.

#### Role of the relevant stakeholders

In accordance with the Shareholder Agreement, SPW continues to seek the views of shareholders with regard to Remuneration Policy, which seeks to motivate, incentivise and retain talent.

The SPW remuneration approach has a particular focus to recognise and reward high-performing colleagues who enable great client outcomes. The Committee reviews the policy at least annually.

The Remuneration Committee is made up of independent non-executive directors, as well as non-executive directors of both Lloyds Banking Group ("LBG") and Schroders. The Committee review all compensation decisions for Executive Directors, senior management, senior risk and compliance officers, high earners and any other Material Risk Takers ("MRTs").

#### Link between pay and performance

SPW's reward package is made up of fixed base salaries, benefits and variable reward components. Fixed remuneration is made up of base salaries, benefits and pension contributions, and variable is made up of bonuses, long-term incentive plans; buy-out awards; severance and retention awards. Base salaries reflect the role, responsibility and experience of a colleague. In order to attract and retain talent, our aim is to pay base salaries in line with UK Wealth Market medians. SPW provide a market-aligned benefits package including pension, flex benefits and private medical to encourage and enable saving for retirement, and to support health and wellbeing. SPW maintain a strong belief that variable reward should be driven by individual, regional and business performance. The approach to variable reward is intended to provide a clear link between remuneration and delivery of key strategic objectives. Performance measures are embedded throughout the reward structure which are challenging and reflect overall business performance in addition to personal contribution.

Key Performance Indicators at business, regional business unit and individual level allows the Remuneration Committee to assess the performance in a consistent and performance-driven way, with appropriate attention on risk performance.

In setting the approach for variable remuneration, a reasonable balance of fixed versus variable remuneration is applied to ensure that fixed and variable components are appropriately balanced, with the fixed portion representing a sufficiently high proportion of total remuneration which allows the operation of a flexible policy on variable remuneration components, including the possibility of paying no variable remuneration. The maximum ratio of fixed: variable components of total remuneration is 1 : 14.

#### Design and structure of remuneration processes

The information below summarises the different remuneration elements for identified staff.

##### Base salary

Base salaries are reviewed annually, taking into account individual performance and market information.

##### Benefits

Core benefits for all colleagues include pension, private medical insurance, life assurance and other benefits that may be selected through our flexible benefits scheme. Benefits can be amended or withdrawn if circumstances change.

#### Short-term variable remuneration arrangements

SPW has an annual discretionary bonus plan. The plan is designed to reflect specific goals linked to the performance of the company. All colleagues are eligible to participate in the bonus plan. Individual bonus awards are based upon individual contribution, regional performance and overall SPW performance. SPW's total bonus outcome is determined by the Remuneration Committee annually based on Business performance; and any discretionary adjustments to reflect risk matters and/or other factors. SPW's robust performance management framework assesses both performance and behaviours, and ensures any ex-ante risk adjustment of variable remuneration.

The Remuneration Committee ensures that the aggregate of the variable remuneration for all colleagues is appropriate and balanced with the interests of shareholders and all other stakeholders. Guaranteed variable remuneration is paid only in exceptional circumstances.

### Remuneration disclosures (continued)

#### Long Term Incentive Plan

SPW long-term incentive plan (LTIP) for senior leadership is intended to align employee interests to the growth in value of SPW over the performance period. The LTIP will not vest unless stretching Operating Profit targets are met at the end of financial years ended 2025 to 2028 inclusive. If the target is satisfied, the award will pay out in four equal tranches at the end of each year.

#### Deferral, vesting and performance adjustment

All variable remuneration is subject to deferral in line with our regulatory requirements. Awards for MRTs typically include an element of deferral in phantom SPW fund units, to align interests to those of our clients, and to aid retention.

For all colleagues, any deferred variable remuneration amount is subject to malus and clawback in accordance with SPW's Malus and Clawback Policy. The Policy includes a non-exhaustive list of triggers under which the Remuneration Committee may consider the application of malus and/or clawback to be necessary.

## Statement of the Authorised Corporate Director's Responsibilities

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for the year ended 31 October 2023

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the "COLL Sourcebook") requires the Authorised Corporate Director ("ACD") of SPW Investment Portfolio ICVC to prepare the Annual Report and Financial Statements for each accounting period which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial affairs of the Company and each of its sub-funds and of its net revenue/expense and the net capital gains/(losses) for the year.

In preparing the Financial Statements the ACD is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the Prospectus and Instrument of Incorporation and the requirements of the Statement of Recommended Practice relating to the Financial Statements of Authorised Funds issued by the Investment Association in May 2014 as amended in June 2017 ("SORP");
- follow United Kingdom Generally Accepted Accounting Practice ("United Kingdom Accounting Standards and applicable law"), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in operation.

The ACD is required to keep proper accounting records and to manage the Company in accordance with the COLL Sourcebook, the Instrument of Incorporation and the Prospectus. The ACD is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The ACD is responsible for ensuring that, to the best of their knowledge and belief, there is no relevant audit information of which the auditors are unaware. It is the responsibility of the ACD to take all necessary steps as a director to familiarise themselves with any relevant audit information and to establish that the auditors are aware of that information.

The ACD is also responsible for the maintenance and integrity of the website on which the financial statements and auditors' report are published and distributed electronically. Please note that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Report of the Authorised Corporate Director

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In accordance with the rules in the Collective Investment Schemes Sourcebook as issued and amended by the Financial Conduct Authority, I hereby approve the report and financial statements on behalf of Scottish Widows Schroder Personal Wealth (ACD) Limited, the Authorised Corporate Director.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in the preparation of the Financial Statements as the assets of the Funds consist predominantly of securities that are readily realisable and, accordingly, the Funds have adequate resources to continue in operational existence for at least the next twelve months from the approval of these Financial Statements.



**Director**  
**Scottish Widows Schroder Personal Wealth (ACD) Limited**  
**2nd February 2024**



## Statement of Depositary's Responsibilities in respect of the Scheme and Report of the Depositary to the Shareholders of the SPW Investment Portfolio ICVC

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for the year ended 31 October 2023

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Company's Instrument of Incorporation and Prospectus (together "the Scheme documents") as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors. The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the Regulations.

The Depositary must ensure that:

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

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

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

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

**State Street Trustees Limited**  
**2nd February 2024**

# Independent Auditor's Report to the Shareholders of

## SPW Investment Portfolio ICVC

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for the year ended 31st October 2023

### Report on the audit of the financial statements

#### Opinion

In our opinion, the financial statements of SPW Investment Portfolio ICVC (the "Company"):

- give a true and fair view of the financial position of the sub-funds as at 31 October 2023 and of the net revenue and expense and the net capital gains/(losses) on the property of the sub-funds for the year ended 31 October 2023; and
- have been properly prepared 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", the Statement of Recommended Practice "Financial Statements of UK Authorised Funds", the rules in the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

We have audited the financial statements which comprise for each of the sub-funds:

- the statement of total return;
- the statement of change in net assets attributable to shareholders;
- the balance sheet;
- the distribution tables; and
- the related notes

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: "Financial Statements of UK Authorised Funds" issued by the Investment Association in May 2014, as amended in June 2017 the Collective Investment Schemes Sourcebook and the Instrument of Incorporation.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the authorised corporate director's (ACD's) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the ACD with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The ACD is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

# Independent Auditor's Report to the Shareholders of

## SPW Investment Portfolio ICVC

(continued)

for the year ended 31st October 2023

### Responsibilities of depositary and ACD

As explained more fully in the depositary's responsibilities statement and the ACD's responsibilities statement, the depositary is responsible for the safeguarding the property of the company and the ACD is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the ACD determines 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 ACD is responsible for assessing the company'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 ACD either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the ACD about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Collective Investment Schemes Sourcebook and relevant tax legislations; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's obligations under The Open Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the valuation and existence of investments due to its significance to the net asset values of the sub-funds. In response we have : involved our financial instruments specialists to assess the applied valuation methodologies; agreed investment holdings to independent confirmations; and agreed investment valuations to reliable independent sources.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

# Independent Auditor's Report to the Shareholders of

## SPW Investment Portfolio ICVC

(continued)

for the year ended 31st October 2023

### Report on other legal and regulatory requirements

#### Opinions on other matters prescribed by the Collective Investment Schemes Sourcebook

In our opinion:

- proper accounting records for the company and the sub-fund have been kept and the financial statements are in agreement with those records;
- we have received all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit; and
- the information given in the ACD's report for the year ended 31 October 2023 is consistent with the financial statements.

#### Use of our report

This report is made solely to the company's shareholders, as a body, in accordance with Paragraph 4.5.12R of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



**Deloitte LLP**  
**Statutory Auditor**  
**Glasgow, United Kingdom**  
**2nd February 2024**

## Summary of Significant Accounting Policies applicable to all sub-funds

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for the year ended 31 October 2023

### 1. Significant accounting basis and distribution policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and 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 (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014 as amended in June 2017, and the Collective Investment Schemes Sourcebook.

As described further on page 3 the financial statements of the sub-funds have been prepared on a going concern basis with the exception of the SPW Adventurous Solution, SPW Defensive Solution and SPW Strategic Solution which the Authorised Corporate Director intends to terminate and therefore the financial statements of these sub-funds have been prepared on a basis other than going concern

#### (b) Revenue

Dividend revenue from offshore reporting funds is recognised when the securities are quoted ex-dividend. Non-dividend revenue from offshore reporting funds is recognised when declared, and treated as revenue for taxation and distribution purposes.

Interest on deposits are recognised as earned. Revenue from debt securities is accounted for on an effective yield basis.

Revenue from other authorised collective investment schemes is recognised when the investments are quoted ex-dividend.

Where accumulation units or shares are held in another authorised collective investment scheme, the accumulation of revenue relating to the holding is recognised in the revenue account including any withholding taxes but excluding tax credits.

Equalisation on distributions received is deducted from the cost of the investment.

Revenue is allocated when earned in the proportion of the Net Asset Value of each share class to the total Net Asset Value of the sub-fund.

#### (c) Expenses

The underlying sub-funds may currently have up to five share classes; Class A, Class G, Class P, Class Q and Class X. Each share class suffers a different Authorised Corporate Director ("ACD") fee. Consequently the level of expenses attributable to each share class will differ.

All expenses other than those relating to the purchase and sale of investments are included in expenses in the Statement of Total Return. The only exception is interest on borrowing which is included in interest payable and similar charges in the Statement of Total Return.

The ACD's annual fee is charged to the revenue property of the respective sub-funds. Rebates are applied where ACD's fees are incurred by the underlying investments. Internal management fee rebates (rebates from Scottish Widows Schroder Wealth Holdings companies) are offset against the ACD's periodic charge, meaning in some circumstances the accrued ACD fee will be negative due to rebates received.

Where it is the policy of the underlying investment to charge its management fees to capital in determining its distribution, the Fund recognises such management rebates as capital within note 2 - Net capital gains/(losses) on an accruals basis. Otherwise the rebate is recognised as revenue on an accruals basis within note 3 - revenue, or note 4 - expenses if internal, and forms part of the distribution.

Expenses incurred in respect of, or attributable to, the sub-funds as a whole are allocated when incurred in the proportion of the Net Asset Value of each share class to the total Net Asset Value of the sub-fund.

#### (d) Distribution policy

The revenue from the sub-funds' investments accumulates during each accounting period. If revenue exceeds expenses during the period, the net revenue of the sub-funds is available for distribution (or re-investment) at share class level to the shareholders in accordance with the OEIC Regulations. If expenses exceed revenue during the period, the net revenue shortfall may be funded from capital.

In accordance with the S2006/964 tax regulation, the following sub-funds satisfied the qualifying investments test of holding over 60% of interest bearing assets throughout the period (or where applicable to the date the fund closed):

- SPW Cautious Solution,
- SPW Defensive Solution,
- SPW Discovery Solution,
- SPW IPS Strategic Income Portfolio,
- SPW IPS Income Portfolio.

All distributions were therefore made as interest distributions.

All other sub-funds make dividend distributions.

Under the IMA SORP 2014 section 3.71, it is now acceptable not to take into account marginal tax relief in determining the distribution.

## Summary of Significant Accounting Policies applicable to all sub-funds

(continued)

for the year ended 31 October 2023

### 1. Significant accounting basis and distribution policies (continued)

#### (e) Taxation

Provision is made for corporation tax at the current rate on the excess of taxable income over allowable expenses. UK dividend revenue is disclosed net of any related tax credit. Overseas dividends continue to be disclosed gross of any foreign tax suffered, the tax element being separately disclosed in the taxation note.

Deferred taxation is provided 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 tax is provided at the average rate of tax expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Deferred tax assets are only recognised to the extent that it is regarded more likely than not that there will be taxable profits against which the reversal of underlying timing differences can be offset.

#### (f) Valuation of investments

The listed investments of the Company have been fair valued as at world close of business on 31st October 2023, excluding any accrued interest in the case of fixed interest securities. Market value is defined by the SORP as fair value, which is generally the bid value of each security. Where applicable, illiquid, unlisted, delisted, unapproved or suspended securities are based on the ACD's assessment of their net realisable value.

Open forward currency contracts are shown in the Portfolio Statement and are valued using contracted forward rates. The net gains/(losses) are reflected in "Forward currency contracts" in Net capital gains/(losses).

Open futures contracts are shown in the Portfolio Statement and are valued at their fair value as at balance sheet date. The fair value of long positions is the quoted bid price and fair value of short positions is the quoted offer price. The returns are either reflected in "Futures contracts" within Net capital gains/(losses) or are included within Revenue depending upon the nature of the transaction as per the accounting policy of derivatives (k).

For debt security investments where no independent price is readily available, an internal model price methodology is used. Credit spreads are often used as inputs into fair value modelling.

A review of all illiquid assets and prices obtained or calculated is conducted by the Investment Adviser on a monthly basis.

#### (g) Unquoted debt securities

In order to ensure that a fair value is recognised for unquoted or illiquid debt securities, there are primary, secondary and tertiary price sources in the first instance and an independent broker will be used if necessary. The primary, secondary and tertiary price sources are regularly compared with one another to ensure accuracy. A formal review is then carried out by the ACD which challenges the external valuation and includes consideration of the impact of any relevant movements in underlying variables such as:

- underlying movements in the relevant markets, for example credit spreads;
- how current transactions are being priced in the market;
- how the security is structured; and
- any supporting quantitative analysis as appropriate, for example with reference to Bloomberg or internal models.

Investments in collective investment schemes have been valued at the single price as at the last business day of the year.

Investments in other collective investment schemes have been valued at bid price for dual priced funds and at the single price for single priced funds as at the last business day of the year.

#### (h) Exchange rates

All transactions in foreign currencies are translated into Sterling at the rate of exchange ruling on the date of such transactions. Foreign currency assets and liabilities at the end of the accounting year are translated at the exchange rates applicable at the end of the accounting year at the appropriate valuation point.

#### (i) Dilution adjustment

In certain circumstances (as detailed in the Prospectus) the ACD may charge a dilution adjustment on the creation or cancellation of shares, which is paid into the capital of the relevant sub-fund on an accruals basis. The adjustment is intended to cover certain dealing charges not included in the mid-market value of the sub-fund used in calculating the share price, which could have a diluting effect on the sub-fund.

#### (j) Equalisation

Equalisation only applies to shares purchased during the distribution period (group 2 shares). It is the average amount of revenue included in the purchase price of all group 2 shares and is refunded to holders of these shares as a return of capital. Being capital, it is not liable to income tax but must be deducted from the cost of the shares for capital gains tax purposes.



## Summary of Significant Accounting Policies applicable to all sub-funds

(continued)

for the year ended 31 October 2023

### 1. Significant accounting basis and distribution policies (continued)

#### (k) Derivatives

Some of the sub-funds may enter into permitted transactions such as derivative contracts or forward foreign currency contracts. The treatment of the returns from derivatives depends upon the nature of the transaction. Both motives and circumstances are used to determine whether returns should be treated as capital or revenue.

Where positions are undertaken to protect or enhance capital, and the circumstances support this, the returns are capital and included within gains/(losses) on investments in the Statement of Total Return. Similarly where they are for generating or protecting revenue, and the circumstances support this, the returns are revenue and included within net revenue in the Statement of Total Return. Where positions generate total returns it will generally be appropriate to apportion such returns between capital and revenue to properly reflect the nature of the transaction. Any open positions in these types of transactions at the year end are included in the Balance Sheet at their mark to market value.

#### (l) Securities Financing Transactions

Please note there have been no Securities Financing Transactions, therefore no Securities Financing Transactions disclosure is presented.

### 2. Significant accounting judgements and estimates

The sub-funds make judgements and estimates when applying its significant accounting policies which affect the amounts of income and expenses recognised during the financial period and the amounts of assets and liabilities reported at the end of the financial period.

Estimates are continually assessed based on historical experience and other factors, including expectations of future events, in order to ensure they are reasonable under the circumstances.

#### (a) Judgements

In the process of applying the sub-funds' accounting policies, the ACD has not made any judgements which have a significant effect on the amounts recognised within the financial statements.

#### (b) Estimates

In the process of applying the sub-funds' accounting policies, the ACD has not made any estimates which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial statements.

## Investment Markets Overview

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for the year ended 31st October 2023

The SPW Adventurous Solution Fund closed on 27th October 2023. Termination accounts will be issued within four months of completion date.

### Investment Objective

The Fund aimed to provide capital growth and income in excess of the benchmark\* (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

\*The Fund's benchmark was a composite of 44.8% MSCI North America (Net Total Return) index, 9.7% MSCI Europe ex UK (Net Total Return) index, 5.1% MSCI Japan (Net Total Return) index, 5.7% MSCI AC Asia Pacific ex Japan (Net Total Return) index, 5.7% MSCI Emerging Markets (Net Total Return) index, 18% MSCI UK IMI (Gross Total Return) index, 1% Bloomberg Global High Yield Corporate Value GBP Hedged index, 1% Bloomberg Emerging Market Debt Value GBP Hedged index, 5% MSCI World IMI Core Real Estate (Net Total Return) index, 2% SONIA and 2% Bloomberg Commodity Total Return index.

Following approval at Shareholder meetings held on 17 October 2023, the following fund was merged via a Scheme of Arrangement: SPW Adventurous Solution into SPW Dynamic Solution. The mergers were completed on 27 October 2023.

### Investment Policy

The Fund was actively managed and invested its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds (collective investment schemes and other funds) in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

The Fund sought to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund invested within the following ranges:

Equity and equity related securities: 60% – 100%

Fixed and floating rate securities: 0% – 20%

Alternative assets: 0% – 20%

The Fund may have also invested directly in equity and equity related securities and fixed and floating rate securities.

The Fund may have invested in collective investment schemes managed by the ACD, the Investment Adviser or their associates.

Where the Fund invested in collective investment schemes managed by the ACD these schemes may integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invested in collective investment schemes and other funds not managed by the ACD, the Investment Adviser had assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund have not invested in a collective investment scheme or other fund managed by the Investment Adviser or by another investment manager which invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may have also invested directly or indirectly in money market instruments, and may hold cash.

The Fund may have used derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management'). The Fund have not taken long positions in single sector equity or bond index derivatives which provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities.

Following approval at Shareholder meetings held on 17 October 2023, the following fund was merged via a Scheme of Arrangement: SPW Adventurous Solution into SPW Dynamic Solution. The mergers were completed on 27 October 2023.

### Further Information

The ACD will reviewed the components of the composite benchmark at least once a year to ensure the weightings remain aligned with the broader asset allocation policies of the Fund. Shareholders were be notified of any changes to the percentage weightings of the composite benchmark. The current portfolio composite benchmark weightings are set out in the Key Investor Information Document which can be found on our website: <https://www.spw.com/fund-info>

## Investment Markets Overview

(continued)

for the year ended 31st October 2023

## Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

As this Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 5* because, based on simulated data, it would have experienced medium to high levels of volatility over the past 5 years. *As disclosed in the key investor information document dated 8th February 2023.	<div> <div>Typically lower rewards, lower risks</div> <div>Typically higher rewards, higher risks</div> </div>						
	←						
	1	2	3	4	5	6	7

## Investment Review

Performance	01/11/22 to 27/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	16/09/19 to 31/10/19 %
SPW Adventurous Solution A Accumulation	n/a	n/a	31.34	(11.24)	n/a
SPW Adventurous Solution G Accumulation	3.52	(5.76)	n/a	n/a	n/a

Source: Lipper. Basis: Net revenue reinvested and net of expenses.

As the Fund was launched on 16th September 2019, there is insufficient data available to provide a useful indication of performance to investors for the year ended 31st October 2019.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
FINANCIALS (0.00%, 31/10/22 99.16%)			

DERIVATIVES (0.00%, 31/10/22 -0.18%)

The SPW Adventurous Solution Fund commenced termination on 27th October 2023. As all distributions had been made to the shareholders an existence on 27th December 2023, and as all holdings had been sold by way of a scheme of arrangement, there is no portfolio statement as at 31st October 2023.

## Material Portfolio Changes

for the year ended 31st October 2023

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
UK Treasury 0% 22/04/2024	1,948	SPW Multi-Manager North American Equity Fund X Acct†	5,096
Schroder Sterling Liquidity Fund X Inc†‡	892	SPW Multi-Manager UK Equity Fund X Acct†	2,555
SPW Multi-Manager UK Equity Fund X Acct†	583	iShares North America Index Fund S Acc GBP	1,990
iShares Core EUR Corp Bond#	418	UK Treasury 0% 22/04/2024	1,951
		SPW Multi-Manager Asia ex Japan & Global Emerging	
SPW Multi-Manager North American Equity Fund X Acct†	387	Markets Equity Fund X Acct†	1,893
iShares Diversified Commodity Bond#	289	Schroder Sterling Liquidity Fund X Inc†‡	1,593
iShares USD High Yield Corp Bond#	206	SPW Multi-Manager European ex UK Equity Fund X Acct†	1,569
iShares J.P. Morgan EM Local Govt Bond	203	SPW Multi-Manager Japanese Equity Fund X Acct†	829
SPW Multi-Manager Asia ex Japan & Global Emerging		SPW Multi-Manager Global Real Estate Securities Fund X	
Markets Equity Fund X Acct†	163	Acct†	673
iShares North America Index Fund S Acc GBP	85	iShares Core EUR Corp Bond#	419

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 10).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

# SPW Adventurous Solution

## Comparative Table

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	253.25	192.70
Return before operating charges*	(2.70)	63.86
Operating charges	(1.75)	(3.31)
Return after operating charges*	(4.45)	60.55
Distributions	-	(0.20)
Retained distributions on accumulation shares	-	0.20
Return to shareholder as result of class closure	(248.80)	-
Closing net asset value per share	-	253.25
*after direct transaction cost of:	0.01	0.03
<b>Performance</b>		
Return after charges	(1.76)%	31.42%
<b>Other information</b>		
Closing net asset value (£000)	-	5,531
Closing number of shares	-	2,184,002
Operating charges#	1.31%	1.41%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	262.60	254.40
Lowest share price	237.30	192.90

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

On 27th October 2023 SPW Adventurous Solution merged into SPW Dynamic Solution.



**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	195.42	205.05	156.02
Return before operating charges*	8.16	(6.80)	51.68
Operating charges	(3.13)	(2.83)	(2.65)
Return after operating charges*	5.03	(9.63)	49.03
Distributions	(1.55)	(1.24)	(0.14)
Retained distributions on accumulation shares	1.55	1.24	0.14
Return to shareholder as result of class closure	(200.45)	-	-
Closing net asset value per share	-	195.42	205.05
*after direct transaction cost of:	0.01	0.01	0.02
<b>Performance</b>			
Return after charges^	2.57%	(4.70)%	31.43%
<b>Other information</b>			
Closing net asset value (£000)	-	14,459	9,949
Closing number of shares	-	7,398,841	4,852,376
Operating charges#	1.56%	1.40%	1.40%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	212.00	212.60	206.00
Lowest share price	194.30	188.60	156.20

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 15 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 27th October 2023 SPW Adventurous Solution merged into SPW Dynamic Solution.

**Statement of Total Return**

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital gains/(losses)	2	272	(814)
Revenue	3	261	225
Expenses	4	(153)	(133)
Net revenue before taxation		108	92
Taxation	5	(3)	-
Net revenue after taxation		105	92
<b>Total return before distributions</b>		<b>377</b>	<b>(722)</b>
Distributions	6	(105)	(92)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>272</b>	<b>(814)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	14,459	15,480
Inspecie transfer*	(13,174)	-
Amounts receivable on creation of shares	223	503
Less: Amounts payable on cancellation of shares	(1,882)	(805)
	(1,659)	(302)
Dilution adjustment	-	3
Change in net assets attributable to shareholders from investment activities	272	(814)
Retained distributions on accumulation shares	102	92
<b>Closing net assets attributable to shareholders</b>	<b>-</b>	<b>14,459</b>

\*Restructuring transfer to SPW Dynamic Solution.

Notes to the Financial Statements are on pages 22 to 28.

# SPW Adventurous Solution

## Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		-	13,643
<b>Current assets</b>			
Debtors	7	3	207
Cash and bank balances	8	51	121
Cash equivalents‡		-	701
<b>Total assets</b>		<b>54</b>	<b>14,672</b>
<b>Liabilities</b>			
Investment liabilities		-	(33)
<b>Creditors</b>			
Other creditors	9	(54)	(180)
<b>Total liabilities</b>		<b>(54)</b>	<b>(213)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>14,459</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 22 to 28.

## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital gains/(losses)

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

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	302	(661)
Futures contracts	(9)	(161)
Forward currency contracts	(7)	24
ACD's periodic charge rebates taken to capital	4	8
Currency losses	(7)	(17)
Transaction charges	(11)	(7)
Net capital gains/(losses)*	272	(814)

\*Includes realised losses of £151,000 and unrealised gains of £423,000 (31/10/22: realised gains of £128,000 and unrealised losses of £942,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	179	200
Interest distribution	17	17
Offshore distributions	62	8
Interest on debt securities	1	-
Futures income	2	-
Total revenue	261	225

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	134	137
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	2
<b>Other expenses:</b>		
Audit fee	13	14
Legal fees	27	-
Expense capping adjustment‡	(22)	(20)
	18	(6)
Total expenses	153	133

Expenses include irrecoverable VAT.

‡Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The Deloitte LLP audit fee for the year, exclusive of VAT is £6,300 (31/10/22: £10,500).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Irrecoverable overseas tax	3	-

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	108	92
Corporation tax of 20% (2022: 20%)	22	18
<b>Effects of:</b>		
Non taxable UK dividends*	(32)	(39)
Overseas non-taxable revenue*	(7)	-
Taxable income taken to capital	1	2
Irrecoverable overseas tax	3	-
Movement in excess management expenses	16	19
Total tax charge for year (note 5a)	3	-

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £47,705 (31/10/22: £31,000) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Special/Final	102	92
Add: Revenue deducted on cancellation of shares	3	4
Deduct: Revenue received on creation of shares	-	(4)
Net distributions for the year	105	92

Details of the distribution per share are set out in the Distribution Tables on page 29.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**7. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	-	197
Amounts receivable for issue of shares	-	1
Accrued revenue	3	2
Income tax receivable	-	2
Expense capping adjustment receivable	(1)	5
Pending transfers#	1	-
Total debtors	3	207

#SPW Adventurous Solution merged into the SPW Dynamic Solution.

**8. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	51	29
Amounts held at futures clearing houses and brokers	-	92
Total cash and bank balances	51	121

**9. Other creditors**

	31/10/23 £000	31/10/22 £000
Purchases awaiting settlement	-	143
Amounts payable for cancellation of shares	-	10
Accrued expenses	54	27
Total other creditors	54	180

**10. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £4,022 (31/10/22: £7,768).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £9,368 (31/10/22: £6,257) due at the year end (inclusive of the expense reimbursement in note 7).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 1,749,330 shares (31/10/22: 3,011,166 shares) with a cost of £2,139,181 (31/10/22: £3,248,217) and sales of 12,329,376 shares (31/10/22: 7,739,664 shares) with sales proceeds of £14,540,817 (31/10/22: £8,510,142).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of nil shares (31/10/22: 10,580,046 shares) and value of £nil (31/10/22: £11,940,955) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £195,356 (31/10/22: £170,598).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**11. Share classes**

The sub-fund has one share class in issue (31/10/2022: one).



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**11. Share classes (continued)**

The ACD's periodic charge on each share class is as follows:

	31/10/23 %
Share Class G - Accumulation:	1.15

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 18 to 19.

The distributions per share class are given in the Distribution Tables on page 29.

**Reconciliation of the shares movement in the year:**

	01/11/22 Opening shares in issue	Creations	Cancellations	31/10/23 Closing shares in issue
Share Class G - Accumulation	7,398,841	110,303	(7,509,144)	-

There are no conversions in the year to report.

On 27th October 2023 SPW Adventurous Solution merged into SPW Dynamic Solution.

**12. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**13. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 14. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

A portion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

The Fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using forward currency contracts. The forward currency contracts are shown in the portfolio statement.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £0 (31/10/22: £5,493).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 31/10/23 £000	Currency exposure 31/10/22 £000
Australian dollar	-	12
Canadian dollar	-	(12)
Euro	-	274
US dollar	-	275
Total	-	549

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes. The cashflow from the sub-fund underlying investments may fluctuate depending upon the particular decisions made by each Fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

The sub-fund's net cash holding of £50,999 (31/10/22: holding £29,462) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £0 (31/10/22: cash £91,592), whose rates are based on SONIA or its international equivalent.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

**13. Risk management policies, derivatives and other financial instruments (continued)***(b) Interest rate risk profile of financial assets and liabilities (continued)*

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

The fund manager may vary the exposure to the various markets within the benchmark asset mix to take advantage of short term strategic asset allocation positions. Tactical Asset Allocation ("TAA") allows the fund manager to take short term positions away from the benchmark asset mix, but within set parameters, in the anticipation of adding value to the Fund. Derivatives are often used to achieve the optimum TAA positions due to speed of dealing and cost efficiency.

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	-	3
Forward currency contracts	-	4
<b>Total Financial derivative instrument exposure</b>	<b>-</b>	<b>7</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	-	1
BNP Paribas – Forward currency contracts	-	(1)
Canadian Imperial Bank – Forward currency contracts	-	(1)
CitiBank – Forward currency contracts	-	(2)
JP Morgan – Forward currency contracts	-	(2)
Morgan Stanley – Forward currency contracts	-	2
Merrill Lynch – Futures contracts	-	(23)
<b>Total counterparty exposure</b>	<b>-</b>	<b>(26)</b>

Counterparty risk is limited to the profit (or loss) on a contract, not the notional value. The counterparty exposures above represent the net profit (or loss) of all open positions that would be at risk should the counterparty default.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
EUR Cash - Merrill Lynch	-	(3)
GBP Cash - Merrill Lynch	-	93
USD Cash - Merrill Lynch	-	2

*(d) Liquidity risk*

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**13. Risk management policies, derivatives and other financial instruments (continued)***(d) Liquidity risk (continued)*

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

*(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £0 (31/10/22: £143,107).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	0.00	103.89
Commitment leverage	0.00	6.07

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**14. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	3,409	4,645	18,252	9,562
<b>Total net trades in the year</b>	<b>3,409</b>	<b>4,645</b>	<b>18,252</b>	<b>9,562</b>

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	<b>01/11/22 to 31/10/23 %</b>	<b>01/11/21 to 31/10/22 %</b>
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equities, futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.01%).

**15. Fair value**

<b>Valuation technique</b>	<b>31/10/23</b>		<b>31/10/22</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	-	-	283	(27)
Level 2	-	-	14,061	(6)
Level 3	-	-	-	-
Total fair value	-	-	14,344	(33)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

Distribution Tables

for the year ended 31st October 2023

Distribution in pence per share

Group 1 Special/Final Shares purchased prior to 1st November 2022

Group 2 Special/Final Shares purchased on or between 1st November 2022 and 27th October 2023.

Share Class G - Accumulation

	Net revenue	Equalisation	Distribution paid/payable to 27/12/2023	Distribution paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Special/Final	1.5522	-	1.5522	1.2407
Group 2	(p)	(p)	(p)	(p)
Special/Final	1.1455	0.4067	1.5522	1.2407

Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend is received as non-taxable income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

# SPW Asset Allocator Fund

## Investment Markets Overview

for the year ended 31st October 2023

### Investment Objective

The Fund aims to provide capital growth and income by investing in a diversified range of assets and markets worldwide.

### Investment Policy

The Fund is actively managed and invests at least 80% of its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds (collective investment schemes and other funds) to gain exposure to equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Exposure to alternative assets including real estate, commodities and currencies may be obtained through derivatives (where permitted) and by investing in funds that invest in these assets. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies.

The Fund seeks to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may invest in collective investment schemes and other funds managed by the ACD, the Investment Adviser or their associates.

Where the Fund invests in collective investment schemes managed by the ACD these schemes will integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invests in collective investment schemes and other funds not managed by the ACD, the Investment Adviser will assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund will not invest in a collective investment scheme or other fund that invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may invest in money market instruments and may hold cash.

The Fund may use derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund may take long and short positions in markets and securities through derivative contracts. The Fund will not take long positions in single sector equity or bond index derivatives that provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

### Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

<p>The fund is ranked at 4* because, based on historical data, it would have experienced medium levels of volatility over the past five years.</p> <p>*As disclosed in the key investor information document dated 11th January 2023.</p>	<p>Typically lower rewards, lower risks</p> <p>Typically higher rewards, higher risks</p>						
	←						
	1	2	3	4	5	6	7

### Investment Review

Performance	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %
SPW Asset Allocator Fund A Accumulation	n/a	(10.15)	20.87	(7.02)	5.47
SPW Asset Allocator Fund Q Income	0.53	n/a	n/a	n/a	n/a

Source: Lipper. Basis: Net revenue reinvested and net of expenses.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Share Class A Accumulation was closed on 11th April 2023.

The fund returned 1.1% in the 12 months to 31 October 2023. The benchmark returned 3.8% in the same period.



**Investment Markets Overview****(continued)**

for the year ended 31st October 2023

**Investment Review (continued)**

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

# SPW Asset Allocator Fund

## Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.59%, 31/10/22 99.37%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	3,661,323	53,172	2.84
Schroder Sterling Liquidity Fund X Inc†±Ø	36,880,228	36,880	1.97
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund Q Inc†	112,337,842	86,781	4.63
SPW Multi-Manager European ex UK Equity Fund Q Inc†	77,772,272	74,724	3.99
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund Q Inc†	250,943,390	187,605	10.01
SPW Multi-Manager Global Investment Grade Bond Fund Q Inc†	356,551,776	281,640	15.03
SPW Multi-Manager Global Sovereign Bond Fund Q Inc†	220,409,317	187,634	10.01
SPW Multi-Manager Japanese Equity Fund Q Inc†	37,952,270	39,615	2.11
SPW Multi-Manager North American Equity Fund Q Inc†	284,631,459	305,381	16.29
SPW Multi-Manager UK Equity Fund P Inc†	84,442,448	168,885	9.01
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Inc	2,404,497	187,808	10.02
		1,610,125	85.91
<b>Exchange Traded Funds</b>			
iShares Core EUR Corp Bond	735,164	73,292	3.91
iShares Diversified Commodity Swap	18,618,116	106,098	5.66
iShares USD High Yield Corp Bond	792,381	58,221	3.11
		237,611	12.68
<b>TOTAL FINANCIALS</b>		<b>1,847,736</b>	<b>98.59</b>
<b>DERIVATIVES (-0.21%, 31/10/22 0.20%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD3,827,000 for GBP2,304,154 Settlement 27/11/2023		(32)	0.00
Sold EUR86,092,000 for GBP75,320,341 Settlement 27/11/2023		264	0.02
Sold JPY564,011,000 for GBP3,116,081 Settlement 27/11/2023		35	0.00
Sold USD21,898,478 for GBP18,093,250 Settlement 27/11/2023		49	0.00
Sold USD18,072,137 for GBP14,924,513 Settlement 27/11/2023		34	0.00
Sold USD21,897,500 for GBP18,067,036 Settlement 27/11/2023		24	0.00
Sold USD15,724,764 for GBP12,970,974 Settlement 27/11/2023		14	0.00
Sold USD11,657,521 for GBP9,616,790 Settlement 27/11/2023		11	0.00
		399	0.02

**Portfolio Statement**

(continued)

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Canadian Government Bond 10 Year Futures December 2023	(337)	76	0.00
DAX Index Futures December 2023	(316)	6,750	0.36
E Mini Russell 2000 Index Futures December 2023	(243)	612	0.03
FTSE 100 Index Futures December 2023	269	(457)	(0.02)
S&P 500 E Mini Index Futures December 2023	418	(4,684)	(0.25)
TOPIX Index Futures December 2023	829	(6,586)	(0.35)
		(4,289)	(0.23)
<b>TOTAL DERIVATIVES</b>		<b>(3,890)</b>	<b>(0.21)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>1,843,846</b>	<b>98.38</b>
<b>Net other assets</b>		<b>30,439</b>	<b>1.62</b>
<b>Total net assets</b>		<b>1,874,285</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

Derivative contracts can be exchange traded on a regulated market or over the counter (OTC). The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>♦</sup>Asset managed by the Investment Adviser.

## SPW Asset Allocator Fund

### Material Portfolio Changes

for the year ended 31st October 2023

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inct†‡	604,548	Schroder Sterling Liquidity Fund X Inct†‡	666,560
iShares Core EUR Corp Bond#	227,033	iShares Core EUR Corp Bond#	149,524
iShares J.P. Morgan USD Bond#	149,024	iShares J.P. Morgan USD Bond#	145,731
iShares Diversified Commodity Swap#	132,191	Vanguard Global Corporate Bond Index Fund	105,207
		Amundi Bloomberg Equal-Weight Commodity	
Vanguard Global Corporate Bond Index Fund	113,932	Ex-Agriculture UCITS#	91,007
iShares USD High Yield Corp Bond#	58,247	iShares North America Index Fund S Acc GBP#	57,705
		Goldman Sachs Structured Investments GSQuartix Modified	
Amundi Physical Gold	48,322	Strategy Bloomberg Commodity	47,436
SPW Multi-Manager North American Equity Fund Q Inct	37,074	Amundi Physical Gold	46,281
SPW Multi-Manager Global Investment Grade Bond Fund Q Inct	33,408	iShares Diversified Commodity Swap#	35,393
SPW Multi-Manager UK Equity Fund P Inct	24,269	SPW Multi-Manager UK Equity Fund P Inct	33,094

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Fund.

# SPW Asset Allocator Fund

## Comparative Table

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	128.34	142.66	119.29
Return before operating charges*	4.29	(12.29)	25.31
Operating charges	(0.83)	(2.03)	(1.94)
Return after operating charges*	3.46	(14.32)	23.37
Distributions	-	(1.12)	(0.14)
Retained distributions on accumulation shares	-	1.12	0.14
Return to shareholder as result of class closure	(131.80)	-	-
Closing net asset value per share	-	128.34	142.66
*after direct transaction cost of:	0.01	0.02	0.02
<b>Performance</b>			
Return after charges^	2.70%	(10.04)%	19.59%
<b>Other information</b>			
Closing net asset value (£000)	-	33	62
Closing number of shares	-	26,000	43,700
Operating charges#	1.46%	1.47%	1.43%
Direct transaction costs	0.02%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	136.10	145.60	143.90
Lowest share price	128.60	126.70	119.50

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 15 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class A Accumulation was closed on 11th April 2023.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b>	<b>31/10/22</b>	<b>31/10/21</b>
	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>
<b>Share Class P - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	119.05	133.51	111.77
Return before operating charges*	1.48	(11.73)	23.59
Operating charges	(0.81)	(0.86)	(0.79)
Return after operating charges*	0.67	(12.59)	22.80
Distributions	(2.52)	(1.87)	(1.06)
Closing net asset value per share	117.20	119.05	133.51
*after direct transaction cost of:	0.01	0.02	0.02
<b>Performance</b>			
Return after charges	0.56%	(9.43)%	20.40%
<b>Other information</b>			
Closing net asset value (£000)	137,068	132,898	141,595
Closing number of shares	116,956,592	111,631,345	106,056,919
Operating charges#	0.67%	0.67%	0.62%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	126.40	136.30	135.20
Lowest share price	118.30	118.70	112.00

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b>	<b>31/10/22</b>	<b>31/10/21</b>
	<b>(p)</b>	<b>(p)</b>	<b>(p)</b>
<b>Share Class Q - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	119.06	133.52	111.78
Return before operating charges*	1.46	(11.74)	23.57
Operating charges	(0.70)	(0.75)	(0.70)
Return after operating charges*	0.76	(12.49)	22.87
Distributions	(2.61)	(1.97)	(1.13)
Closing net asset value per share	117.21	119.06	133.52
*after direct transaction cost of:	0.01	0.02	0.02
<b>Performance</b>			
Return after charges	0.64%	(9.35)%	20.46%
<b>Other information</b>			
Closing net asset value (£000)	1,737,217	1,676,133	1,760,375
Closing number of shares	1,482,196,567	1,407,782,939	1,318,397,664
Operating charges#	0.58%	0.58%	0.55%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	126.50	136.30	135.30
Lowest share price	118.40	118.70	112.00

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## SPW Asset Allocator Fund

### Statement of Total Return

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital losses	2	(31,674)	(214,902)
Revenue	3	51,030	36,036
Expenses	4	(2,242)	(2,245)
Interest payables and similar charges		(9)	-
Net revenue before taxation		48,779	33,791
Taxation	5	(8,074)	(4,980)
Net revenue after taxation		40,705	28,811
<b>Total return before distributions</b>		<b>9,031</b>	<b>(186,091)</b>
Distributions	6	(41,070)	(29,242)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(32,039)</b>	<b>(215,333)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	1,809,064	1,902,032
Amounts receivable on creation of shares	134,318	154,908
Less: Amounts payable on cancellation of shares	(37,058)	(32,545)
	97,260	122,363
Dilution adjustment	-	2
Change in net assets attributable to shareholders from investment activities	(32,039)	(215,333)
<b>Closing net assets attributable to shareholders</b>	<b>1,874,285</b>	<b>1,809,064</b>

Notes to the Financial Statements are on pages 40 to 47.



# SPW Asset Allocator Fund

## Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		1,818,725	1,705,802
<b>Current assets</b>			
Debtors	8	38,847	23,425
Cash and bank balances	9	22,549	9,008
Cash equivalents‡		36,880	98,892
<b>Total assets</b>		<b>1,917,001</b>	<b>1,837,127</b>
<b>Liabilities</b>			
Investment liabilities		(11,759)	(3,481)
<b>Creditors</b>			
Bank overdrafts		-	(936)
Distribution payable		(23,635)	(18,848)
Other creditors	10	(7,322)	(4,798)
<b>Total liabilities</b>		<b>(42,716)</b>	<b>(28,063)</b>
<b>Net assets attributable to shareholders</b>		<b>1,874,285</b>	<b>1,809,064</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 40 to 47.

## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital losses

The net capital losses during the year comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	(3,167)	(139,018)
Futures contracts	(29,793)	(74,948)
Forward currency contracts	1,406	(1,836)
ACD's periodic charge rebates taken to capital	1,809	2,076
Fund of funds rebates taken to capital	15	79
Currency losses	(2,114)	(1,247)
Transaction charges	(10)	(8)
Cash Allocation†	180	-
Net capital losses*	(31,674)	(214,902)

\*Includes realised losses of £34,932,000 and unrealised gains of £3,258,000 (31/10/22: realised gains of £17,118,000 and unrealised losses of £232,020,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

†Cash allocation due to remaining amount on inactive subfunds.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	10,233	11,009
Interest distribution	25,703	20,480
Offshore distributions	15,313	4,105
Bank interest	6	1
Futures income	(225)	441
Total revenue	51,030	36,036

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	1,922	1,879
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	142	206
Safe custody fees	28	18
	170	224
<b>Other expenses:</b>		
Audit fee	24	15
Registration fees	1,740	1,725
Expense capping adjustment‡	(1,614)	(1,598)
	150	142
Total expenses	2,242	2,245

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**4. Expenses (continued)**

Expenses include irrecoverable VAT.

‡Within the Q Income share class no registration fee has been deducted and this has been borne by the ACD.

The Deloitte LLP audit fee for the year, exclusive of VAT is £13,750 (31/10/22: £13,000).

**5. Taxation****(a) Analysis of charge in year:**

	<b>01/11/22 to 31/10/23 £000</b>	<b>01/11/21 to 31/10/22 £000</b>
Corporation tax	8,074	4,980

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	<b>01/11/22 to 31/10/23 £000</b>	<b>01/11/21 to 31/10/22 £000</b>
Net revenue before taxation	48,779	33,791
Corporation tax of 20% (2022: 20%)	9,756	6,758
<b>Effects of:</b>		
Non taxable UK dividends*	(2,047)	(2,202)
Overseas non-taxable revenue*	-	(7)
Taxable income taken to capital	365	431
Total tax charge for year (note 5a)	8,074	4,980

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	<b>01/11/22 to 31/10/23 £000</b>	<b>01/11/21 to 31/10/22 £000</b>
Interim	17,646	10,653
Final	23,635	18,848
	41,281	29,501
Add: Revenue deducted on cancellation of shares	276	106
Deduct: Revenue received on creation of shares	(487)	(365)
Net distributions for the year	41,070	29,242

Details of the distribution per share are set out in the Distribution Tables on page 48.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	40,705	28,811
Tax charge on rebates taken to capital	365	431
Net distributions for the year	41,070	29,242

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	24,344	7,895
Amounts receivable for issue of shares	203	1,614
Accrued revenue	14,122	13,760
Fund of funds rebates receivable	41	26
Expense capping adjustment receivable	137	130
Total debtors	38,847	23,425

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	1,161	-
Amounts held at futures clearing houses and brokers	21,388	9,008
Total cash and bank balances	22,549	9,008

**10. Other creditors**

	31/10/23 £000	31/10/22 £000
Purchases awaiting settlement	5,412	3,648
Amounts payable for cancellation of shares	530	7
Accrued expenses	233	195
Corporation tax payable	1,147	948
Total other creditors	7,322	4,798

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £1,809,107 (31/10/22: £2,075,676).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £605 (31/10/22: £142,889) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustments are disclosed in note 4 with £137,298 (31/10/22: £130,224) due at the year end.

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 748,742,809 shares (31/10/22: 943,632,858 shares) with a cost of £746,159,635 (31/10/22: £934,725,978) and sales of 756,141,179 shares (31/10/22: 1,117,321,368 shares) with sales proceeds of £767,599,113 (31/10/22: £1,128,972,011).

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**11. Related party transactions (continued)**

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 1,461,921,002 shares (31/10/22: 1,476,017,638 shares) and value of £1,369,145,354 (31/10/22: £1,388,408,404) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £35,935,127 (31/10/22: £24,574,662).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2022: three).

The ACD's periodic charge on each share class is as follows:

	<b>31/10/23</b>
	<b>%</b>
Share Class P - Income:	0.20
Share Class Q - Income:	0.20

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 35 to 37.

The distributions per share class are given in the Distribution Tables on page 48.

**Reconciliation of the shares movement in the year:**

	<b>01/11/22</b>			<b>31/10/23</b>
	<b>Opening shares</b>			<b>Closing shares</b>
	<b>in issue</b>	<b>Creations</b>	<b>Cancellations</b>	<b>in issue</b>
Share Class A - Accumulation	26,000	-	(26,000)	-
Share Class P - Income	111,631,345	7,878,310	(2,553,063)	116,956,592
Share Class Q - Income	1,407,782,939	102,369,075	(27,955,447)	1,482,196,567

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 30. The risks inherent in the sub-fund's investment portfolio are as follows:

**(a) Currency risk**

The sub-fund's financial assets and liabilities are currently invested in multi-manager regulated collective investment schemes managed within the Schroder Investment Management Limited and the Scottish Widows Schroder Wealth Holdings Limited whose prices are quoted in Sterling. As a result, the sub-fund does not have any direct exposure to foreign currency movements. However, some of the sub-fund's investments will be affected by movements in exchange rates and ultimately their Sterling values as a result of holdings in investments outside the UK by the sub-funds in which it invests. As a result, movements in exchange rates may affect the Sterling value of the portfolio investments.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £990,232 (31/10/22: £977,070).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(a) Currency risk (continued)*

	<b>Currency exposure 31/10/23 £000</b>	<b>Currency exposure 31/10/22 £000</b>
<b>Currency</b>		
Canadian dollar	2,348	-
Euro	5,425	(2,528)
Japanese yen	(4,953)	-
US dollar	96,203	100,235
Total	<u>99,023</u>	<u>97,707</u>

The sub-fund is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the sub-fund does not hedge its foreign currency risk or such hedging is incomplete or unsuccessful, the value of the sub-fund's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the sub-fund in circumstances where no such hedging transactions are undertaken.

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes and exchange traded funds. The cashflow from the sub-fund's investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

The sub-fund's net cash holding of £1,160,916 (31/10/22: overdraft £935,499) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £21,388,246 (31/10/22: cash £9,007,524), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

## 14. Risk management policies, derivatives and other financial instruments (continued)

## (c) Derivatives and other financial instruments (continued)

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	7,438	4,443
Forward currency contracts	431	2,585
<b>Total Financial derivative instrument exposure</b>	<b>7,869</b>	<b>7,028</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

## Counterparties to financial derivative instruments and efficient portfolio management techniques

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	264	762
BNP Paribas – Forward currency contracts	34	-
JP Morgan – Forward currency contracts	-	(1,640)
Lloyds Bank – Forward currency contracts	73	-
Morgan Stanley – Forward currency contracts	60	1,823
UBS – Forward currency contracts	(32)	-
Merrill Lynch – Futures contracts	(4,289)	2,602
<b>Total counterparty exposure</b>	<b>(3,890)</b>	<b>3,547</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
EUR Cash - Merrill Lynch	(4,425)	(687)
GBP Cash - Merrill Lynch	18,152	9,375
JPY Cash - Merrill Lynch	4,714	-
USD Cash - Merrill Lynch	2,947	320

## (d) Liquidity risk

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

## (e) Market price risk and fair value of financial assets and liabilities

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(e) Market price risk and fair value of financial assets and liabilities (continued)*

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £18,438,460 (31/10/22: £18,012,128).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	122.31	108.23
Commitment leverage	19.29	6.32

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	1,503,455	1,516,778	1,449,190	1,456,735
<b>Total net trades in the year</b>	<b>1,503,455</b>	<b>1,516,778</b>	<b>1,449,190</b>	<b>1,456,735</b>

**Total transaction cost expressed as a percentage of average net asset value**

	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	%	%
Commissions	0.00	0.01

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes and fixed income have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.04% (31/10/22: 0.01%).



**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/23</b>		<b>31/10/22</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	245,049	(11,727)	94,504	(1,841)
Level 2	1,610,556	(32)	1,710,190	(1,640)
Level 3	-	-	-	-
Total fair value	1,855,605	(11,759)	1,804,694	(3,481)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

# SPW Asset Allocator Fund

## Distribution Tables

for the year ended 31st October 2023

### Distribution in pence per share

Group 1 Interim Shares purchased prior to 1st November 2022

Final Shares purchased prior to 1st May 2023

Group 2 Interim Shares purchased on or between 1st November 2022 and 30th April 2023

Final Shares purchased on or between 1st May 2023 and 31st October 2023

### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	0.2717
Final	-	-	-	0.8458
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	0.2717
Final	-	-	-	0.8458

### Share Class P - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Interim	1.0800	-	1.0800	0.6756
Final	1.4359	-	1.4359	1.1974
Group 2	(p)	(p)	(p)	(p)
Interim	0.6354	0.4446	1.0800	0.6756
Final	0.9365	0.4994	1.4359	1.1974

### Share Class Q - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Interim	1.1242	-	1.1242	0.7221
Final	1.4813	-	1.4813	1.2439
Group 2	(p)	(p)	(p)	(p)
Interim	0.6598	0.4644	1.1242	0.7221
Final	1.0161	0.4652	1.4813	1.2439

### Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Interim - 23.69% of the dividend is received as non-taxable income.

Interim - 76.31% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Interim - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Final - 24.34% of the dividend is received as non-taxable income.

Final - 75.66% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

## Investment Markets Overview

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for the year ended 31st October 2023

### Investment Objective

The Fund aims to provide capital growth and income in excess of the benchmark\* (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

\*The Fund's benchmark is a composite of 19.5% MSCI North America (Net Total Return) index, 4.3% MSCI Europe ex UK (Net Total Return) index, 2.2% MSCI Japan (Net Total Return) index, 2.5% MSCI AC Asia ex Japan (Net Total Return) index, 2.5% MSCI Emerging Markets (Net Total Return) index, 14% MSCI UK IMI (Gross Total Return) index, 7% Bloomberg Global Treasury Value GBP Hedged index, 26% Bloomberg Global Aggregate Corporate Value GBP Hedged index, 2.5% Bloomberg Global High Yield Corporate Value GBP Hedged index, 2.5% Bloomberg Emerging Market Debt Value GBP Hedged index, 4% MSCI World IMI Core Real Estate (Net Total Return) index, 6% SONIA plus 2%, 4% SONIA and 3% Bloomberg Commodity Total Return index.

### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds (collective investment schemes and other funds) in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

The Fund seeks to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund will invest within the following ranges:

Equity and equity related securities: 20% – 70%

Fixed and floating rate securities: 10% – 60%

Alternative assets: 0% – 30%

The Fund may invest up to 20% of its assets in below investment grade bonds (as measured by a regulated credit rating agency) or in unrated bonds.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may invest in collective investment schemes managed by the ACD, the Investment Adviser or their associates.

Where the Fund invests in collective investment schemes managed by the ACD these schemes will integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invests in collective investment schemes and other funds not managed by the ACD, the Investment Adviser will assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund will not invest in a collective investment scheme or other fund managed by the Investment Adviser or by another investment manager which invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management'). The Fund will not take long positions in single sector equity or bond index derivatives which provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities.

### Further Information

The ACD will review the components of the composite benchmark at least once a year to ensure the weightings remain aligned with the broader asset allocation policies of the Fund. Shareholders will be notified of any changes to the percentage weightings of the composite benchmark. The current portfolio composite benchmark weightings are set out in the Key Investor Information Document which can be found on our website: <https://www.spw.com/fund-info>

### Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

## Investment Markets Overview

(continued)

for the year ended 31st October 2023

## Synthetic Risk and Reward Indicator

As this Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 4* because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years. *As disclosed in the key investor information document dated 8th February 2023.	Typically lower rewards, lower risks						Typically higher rewards, higher risks	
	←						→	
	1	2	3	4	5	6	7	

## Investment Review

Performance	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	16/09/19 to 31/10/19 %
SPW Balanced Solution A Accumulation	n/a	n/a	17.44	(7.71)	n/a
SPW Balanced Solution G Accumulation	1.66	(9.21)	n/a	n/a	n/a

Source: Lipper. Basis: Net revenue reinvested and net of expenses.

As the Fund was launched on 16th September 2019, there is insufficient data available to provide a useful indication of performance to investors for the year ended 31st October 2019.

On 25th April 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

The fund returned 1.7% in the 12 months to 31 October 2023. The benchmark returned 1.9% in the same period.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

# SPW Balanced Solution

## Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.58%, 31/10/22 99.61%)</b>			
<b>Collective Investment Schemes</b>			
Candriam Bonds Total Return S-H GBP Acc	3,147	4,859	1.39
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	748,345	10,868	3.11
iShares North America Index Fund S Acc GBP	669,833	7,118	2.04
iShares UK Equity Index Fund D Acc	3,661,606	9,596	2.75
Nordea 1 Diversified Return Fund BD GBP Acc	67,351	8,669	2.48
Payden Absolute Return Bond Fund GBP Acc	332,824	3,845	1.10
Schroder Global Sovereign Bond Tracker Component I GBP Acct	2,138	1	0.00
Schroder Multi-Asset Total Return X GBP (Hedged) Acct	33,069	3,484	1.00
Schroder Sterling Liquidity Fund X Inc	3,747,520	3,747	1.07
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund X Acct	21,825,968	17,465	5.00
SPW Multi-Manager European ex UK Equity Fund X Acct	14,516,641	14,662	4.20
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund X Acct	18,229,401	17,799	5.10
SPW Multi-Manager Global Investment Grade Bond Fund X Acct	85,023,883	81,733	23.40
SPW Multi-Manager Global Real Estate Securities Fund X Acct	4,984,422	13,458	3.85
SPW Multi-Manager Global Sovereign Bond Fund X Acct	20,396,511	19,613	5.62
SPW Multi-Manager Japanese Equity Fund X Acct	6,960,487	7,566	2.17
SPW Multi-Manager North American Equity Fund X Acct	55,713,005	61,229	17.53
SPW Multi-Manager UK Equity Fund X Acct	12,391,882	34,264	9.81
State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	547,383	4,931	1.41
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	95,762	9,178	2.63
		334,085	95.66
<b>Exchange Traded Funds</b>			
iShares Core EUR Corp Bond	47,539	4,739	1.36
iShares Diversified Commodity Swap	616,292	3,512	1.00
iShares USD High Yield Corp Bond	73,952	5,434	1.56
		13,685	3.92
<b>TOTAL FINANCIALS</b>		<b>347,770</b>	<b>99.58</b>
<b>DERIVATIVES (-0.01%, 31/10/22 -0.05%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD3,930,000 for GBP2,366,168 Settlement 27/11/2023		(33)	(0.01)
Sold EUR8,078,000 for GBP7,067,297 Settlement 27/11/2023		25	0.01
Sold USD2,940,149 for GBP2,429,249 Settlement 27/11/2023		7	0.00
Sold USD2,426,414 for GBP2,003,805 Settlement 27/11/2023		4	0.00
Sold USD2,940,017 for GBP2,425,729 Settlement 27/11/2023		3	0.00
Sold USD1,565,170 for GBP1,291,176 Settlement 27/11/2023		2	0.00
Sold USD2,111,250 for GBP1,741,519 Settlement 27/11/2023		2	0.00
		10	0.00

**Portfolio Statement**

(continued)

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Canadian Government Bond 10 Year Futures December 2023	(15)	6	0.00
DAX Index Futures December 2023	(21)	346	0.10
E Mini Russell 2000 Index Futures December 2023	(23)	58	0.02
FTSE 100 Index Futures December 2023	72	(122)	(0.04)
Mini TOPIX Index Futures December 2023	562	(263)	(0.08)
S&P 500 E Mini Index Futures December 2023	8	(48)	(0.01)
		(23)	(0.01)
<b>TOTAL DERIVATIVES</b>		<b>(13)</b>	<b>(0.01)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>347,757</b>	<b>99.57</b>
<b>Net other assets</b>		<b>1,488</b>	<b>0.43</b>
<b>Total net assets</b>		<b>349,245</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

Derivative can be exchange traded or over the counter (OTC) contracts. The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>◇</sup>Asset managed by the Investment Adviser.

## SPW Balanced Solution

### Material Portfolio Changes

for the year ended 31st October 2023

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	47,924	Schroder Sterling Liquidity Fund X Inc†‡	54,785
iShares Core EUR Corp Bond#	15,290	SPW Multi-Manager Global Investment Grade Bond Fund X Acct	15,295
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	9,102	SPW Multi-Manager North American Equity Fund X Acct	15,294
SPW Multi-Manager North American Equity Fund X Acct	7,350	iShares Core EUR Corp Bond#	10,193
Candriam Bonds Total Return S-H GBP Acc	5,809	Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	9,923
SPW Multi-Manager Global Investment Grade Bond Fund X Acct	5,429	SPW Multi-Manager UK Equity Fund X Acct	8,659
iShares USD High Yield Corp Bond#	5,427	Nordea 1 Diversified Return Fund BD GBP Acc	8,078
iShares J.P. Morgan EM Local Govt Bond	5,282	Schroder Multi-Asset Total Return X GBP (Hedged) Acc	6,893
Payden Absolute Return Bond Fund GBP Acc	4,650	iShares J.P. Morgan EM Local Govt Bond	5,161
iShares Diversified Commodity Swap#	3,758	SPW Multi-Manager European ex UK Equity Fund X Acct	4,552

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Balanced Solution

### Comparative Table

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	189.65	161.69
Return before operating charges*	(2.83)	27.96
Operating charges	(2.32)	-
Return after operating charges*	(5.15)	27.96
Distributions	-	(0.93)
Retained distributions on accumulation shares	-	0.93
Return to shareholder as result of class closure	(184.50)	-
Closing net asset value per share	-	189.65
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges	(2.72)%	17.29%
<b>Other information</b>		
Closing net asset value (£000)	-	101,253
Closing number of shares	-	53,390,649
Operating charges#	1.23%	1.46%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	193.70	191.20
Lowest share price	181.00	161.30

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 25th April 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.



**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	145.71	159.44	135.94
Return before operating charges*	3.99	(11.71)	23.50
Operating charges	(2.00)	(2.02)	-
Return after operating charges*	1.99	(13.73)	23.50
Distributions	(2.29)	(1.60)	(0.78)
Retained distributions on accumulation shares	2.29	1.60	0.78
Closing net asset value per share	147.70	145.71	159.44
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges^	1.37%	(8.61)%	17.29%
<b>Other information</b>			
Closing net asset value (£000)	348,337	382,218	351,470
Closing number of shares	235,840,269	262,308,638	220,444,024
Operating charges#	1.32%	1.34%	1.46%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	156.10	162.90	160.80
Lowest share price	145.70	143.10	135.60

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 50 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class X - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	214.75	232.99	196.83
Return before operating charges*	5.37	(17.66)	36.16
Operating charges	(0.61)	(0.58)	-
Return after operating charges*	4.76	(18.24)	36.16
Distributions	(5.28)	(4.28)	(3.20)
Retained distributions on accumulation shares	5.28	4.28	3.20
Closing net asset value per share	219.51	214.75	232.99
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges	2.22%	(7.83)%	18.37%
<b>Other information</b>			
Closing net asset value (£000)	908	888	964
Closing number of shares	413,568	413,568	413,568
Operating charges#	0.27%	0.25%	0.31%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	230.60	238.10	234.60
Lowest share price	214.70	210.90	196.40

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Statement of Total Return**

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital gains/(losses)	2	603	(41,456)
Revenue	3	9,864	8,364
Expenses	4	(3,606)	(3,932)
Net revenue before taxation		6,258	4,432
Taxation	5	(640)	(235)
Net revenue after taxation		5,618	4,197
<b>Total return before distributions</b>		<b>6,221</b>	<b>(37,259)</b>
Distributions	6	(5,635)	(4,279)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>586</b>	<b>(41,538)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	383,106	453,687
Amounts receivable on creation of shares	291	646
Less: Amounts payable on cancellation of shares	(40,163)	(33,792)
	(39,872)	(33,146)
Dilution adjustment	1	(100)
Change in net assets attributable to shareholders from investment activities	586	(41,538)
Retained distributions on accumulation shares	5,424	4,203
<b>Closing net assets attributable to shareholders</b>	<b>349,245</b>	<b>383,106</b>

*Notes to the Financial Statements are on pages 59 to 66.*

## SPW Balanced Solution

### Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		344,476	369,526
<b>Current assets</b>			
Debtors	8	2,610	4,752
Cash and bank balances	9	1,461	1,005
Cash equivalents‡		3,747	12,294
<b>Total assets</b>		<b>352,294</b>	<b>387,577</b>
<b>Liabilities</b>			
Investment liabilities		(466)	(394)
<b>Creditors</b>			
Other creditors	10	(2,583)	(4,077)
<b>Total liabilities</b>		<b>(3,049)</b>	<b>(4,471)</b>
<b>Net assets attributable to shareholders</b>		<b>349,245</b>	<b>383,106</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 59 to 66.

## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital gains/(losses)

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

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	1,990	(40,761)
Futures contracts	(1,447)	(1,622)
Forward currency contracts	273	565
ACD's periodic charge rebates taken to capital	86	407
Fund of funds rebates taken to capital	1	9
Currency losses	(288)	(45)
Transaction charges	(12)	(9)
Net capital gains/(losses)*	603	(41,456)

\*Includes realised losses of £6,155,000 and unrealised gains of £6,758,000 (31/10/22: realised gains of £7,073,000 and unrealised losses of £48,529,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	3,390	3,636
Interest distribution	4,713	3,918
Offshore distributions	1,734	805
Bank interest	1	-
HM Revenue and Customs interest	3	4
Futures income	19	1
AMC rebates	3	-
Compensation	1	-
Total revenue	9,864	8,364

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	3,561	3,868
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	28	46
Safe custody fees	4	4
	32	50
<b>Other expenses:</b>		
Audit fee	13	14
Total expenses	3,606	3,932

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £11,100 (31/10/22: £10,500).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	640	235
Double tax relief	(75)	(6)
Irrecoverable overseas tax	75	6
Total current tax	640	235
Total taxation (note 5b)	640	235

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	6,258	4,432
Corporation tax of 20% (2022: 20%)	1,252	886
<b>Effects of:</b>		
Non taxable UK dividends*	(593)	(701)
Overseas non-taxable revenue*	(36)	(33)
Taxable income taken to capital	17	81
Irrecoverable overseas tax	75	6
Double taxation relief	(75)	(6)
Expenses not deductible for tax purposes	-	2
Total tax charge for year (note 5a)	640	235

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

**6. Distributions**

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Final	5,424	4,203
Add: Revenue deducted on cancellation of shares	212	355
Deduct: Revenue received on creation of shares	(1)	(279)
Net distributions for the year	5,635	4,279

Details of the distribution per share are set out in the Distribution Tables on page 67.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	5,618	4,197
Tax charge on rebates taken to capital	17	82
Net distributions for the year	5,635	4,279

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	2,572	4,580
Accrued revenue	23	24
Fund of funds rebates receivable	5	8
Corporation tax recoverable	-	120
Income tax receivable	10	20
Total debtors	2,610	4,752

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	144	108
Amounts held at futures clearing houses and brokers	1,317	897
Total cash and bank balances	1,461	1,005

**10. Other creditors**

	31/10/23 £000	31/10/22 £000
Purchases awaiting settlement	1,506	3,220
Amounts payable for cancellation of shares	420	537
Accrued expenses	299	320
Corporation tax payable	358	-
Total other creditors	2,583	4,077

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £86,279 (31/10/22: £407,017).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD fees are disclosed in note 2 and 4, with £277,348 (31/10/22: 298,189) due at the year end.

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 55,865,177 shares (31/10/22: 100,114,654 shares) with a cost of £56,225,459 (31/10/22: £100,692,827) and sales of 94,386,005 shares (31/10/22: 136,037,571 shares) with sales proceeds of £108,408,104 (31/10/22: £150,382,508).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 243,824,927 shares (31/10/22: 283,403,787 shares) and value of £275,021,347 (31/10/22: £315,621,035) held at the year-end.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**11. Related party transactions (continued)**

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £7,882,665 (31/10/22: £5,548,325).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2022: two).

The ACD's periodic charge on each share class is as follows:

	31/10/23 %
Share Class G - Accumulation:	1.05
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 54 to 56.

The distributions per share class are given in the Distribution Tables on page 67.

**Reconciliation of the shares movement in the year:**

	01/11/22 Opening shares in issue	Creations	Cancellations	31/10/23 Closing shares in issue
Share Class G - Accumulation	262,308,638	193,978	(26,662,347)	235,840,269
Share Class X - Accumulation	413,568	-	-	413,568

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 49. The risks inherent in the sub-fund's investment portfolio are as follows:

**(a) Currency risk**

A portion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using forward currency contracts. The forward currency contracts are shown in the portfolio statement.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £(8,254) (31/10/22: £154,549).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/10/23 £000	Currency exposure 31/10/22 £000
Currency		
Australian dollar	(80)	-
Canadian dollar	2,337	-
Euro	(2,471)	7,429



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(a) Currency risk (continued)*

<b>Currency</b>	<b>Currency exposure 31/10/23 £000</b>	<b>Currency exposure 31/10/22 £000</b>
Japanese yen	302	-
US dollar	(913)	8,026
Total	(825)	15,455

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes. The cash flow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

The sub-fund's net cash holding of £143,917 (31/10/22: holding £108,218) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £1,317,328 (31/10/22: cash £896,914), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

The sub-fund manager may vary the exposure to the various markets within the benchmark asset mix to take advantage of short term strategic asset allocation positions. Tactical Asset Allocation ("TAA") allows the sub-fund manager to take short term positions away from the benchmark asset mix, but within set parameters, in the anticipation of adding value to the sub-fund. Derivatives are often used to achieve the optimum TAA positions due to speed of dealing and cost efficiency.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(c) Derivatives and other financial instruments (continued)*

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	410	105
Forward currency contracts	43	89
<b>Total Financial derivative instrument exposure</b>	<b>453</b>	<b>194</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	25	24
BNP Paribas – Forward currency contracts	4	(29)
Canadian Imperial Bank – Forward currency contracts	-	(23)
CitiBank – Forward currency contracts	-	(49)
JP Morgan – Forward currency contracts	-	(40)
Lloyds Bank – Forward currency contracts	10	-
Morgan Stanley – Forward currency contracts	4	62
Royal Bank of Canada – Forward currency contracts	-	(13)
UBS – Forward currency contracts	(33)	-
Merrill Lynch – Futures contracts	(23)	(132)
<b>Total counterparty exposure</b>	<b>(13)</b>	<b>(200)</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
AUD Cash - Merrill Lynch	(80)	-
CAD Cash - Merrill Lynch	4	-
EUR Cash - Merrill Lynch	(172)	(76)
GBP Cash - Merrill Lynch	1,249	925
JPY Cash - Merrill Lynch	302	-
USD Cash - Merrill Lynch	14	48

*(d) Liquidity risk*

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £3,477,570 (31/10/22: £3,814,264).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	111.81	102.11
Commitment leverage	9.91	2.16

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Collective Investment Schemes	119,870	152,519	164,414	183,551
<b>Trades in the year before transaction costs</b>	119,870	152,519	164,414	183,551
<b>Commissions</b>				
Collective Investment Scheme	4	-	4	-
Total costs	4	-	4	-
<b>Total net trades in the year after transaction costs</b>	119,874	152,519	164,418	183,551

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**15. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	<b>01/11/22 to 31/10/23 %</b>	<b>01/11/21 to 31/10/22 %</b>
Commissions	0.00	0.01

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equities, futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.01%).

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/23</b>		<b>31/10/22</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	14,095	(433)	7,593	(237)
Level 2	334,128	(33)	374,227	(157)
Level 3	-	-	-	-
Total fair value	348,223	(466)	381,820	(394)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

## SPW Balanced Solution

### Distribution Tables

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for the year ended 31st October 2023

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st November 2022

Group 2 Final Shares purchased on or between 1st November 2022 and 31st October 2023

#### Share Class G - Accumulation

	Net revenue	Equalisation	Distribution payable to 29/12/2023	Distribution paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Final	2.2905	-	2.2905	1.5957
Group 2	(p)	(p)	(p)	(p)
Final	1.6472	0.6433	2.2905	1.5957

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 29/12/2023	Distribution paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Final	5.2783	-	5.2783	4.2848
Group 2	(p)	(p)	(p)	(p)
Final	5.2783	-	5.2783	4.2848

#### Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 54.38% of the dividend is received as non-taxable income.

Final - 39.13% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 6.49% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

## Investment Markets Overview

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for the year ended 31st October 2023

### Investment Objective

The Fund aims to provide capital growth and income in excess of the benchmark\* (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

\*The Fund's benchmark is a composite of 6.9% MSCI North America (Net Total Return) index, 1.5% MSCI Europe ex UK (Net Total Return) index, 0.8% MSCI Japan (Net Total Return) index, 0.9% MSCI AC Asia Pacific ex Japan (Net Total Return) index, 0.9% MSCI Emerging Markets (Net Total Return) index, 5% MSCI UK IMI (Gross Total Return) index, 13% Bloomberg Global Treasury Value GBP Hedged index, 46% Bloomberg Global Aggregate Corporate Value GBP Hedged index, 4% Bloomberg Global High Yield Corporate Value GBP Hedged index, 4% Bloomberg Emerging Market Debt Value GBP Hedged index, 4% MSCI World IMI Core Real Estate (Net Total Return) index, 7% SONIA plus 2%, 4% SONIA and 2% Bloomberg Commodity Total Return index.

### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

The Fund seeks to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund will invest within the following ranges:

Equity and equity related securities; 0% – 40%

Fixed and floating rate securities: 30% – 80%

Alternative assets : 0% – 30%

The Fund may invest up to 20% of its assets in below investment grade bonds (as measured by a regulated credit rating agency) or in unrated bonds.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may invest in collective investment schemes and other funds managed by the ACD, the Investment Adviser or their associates.

Where the Fund invests in collective investment schemes managed by the ACD these schemes will integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invests in collective investment schemes and other funds not managed by the ACD, the Investment Adviser will assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund will not invest in a collective investment scheme or other fund managed by the Investment Adviser or by another investment manager which invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management'). The Fund will not take long positions in single sector equity or bond index derivatives which provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities.

### Further Information

The ACD will review the components of the composite benchmark at least once a year to ensure the weightings remain aligned with the broader asset allocation policies of the Fund. Shareholders will be notified of any changes to the percentage weightings of the composite benchmark. The current portfolio composite benchmark weightings are set out in the Key Investor Information Document which can be found on our website: <https://www.spw.com/fund-info>

### Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

## Investment Markets Overview

(continued)

for the year ended 31st October 2023

## Synthetic Risk and Reward Indicator

As this Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 4* because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years. *As disclosed in the key investor information document dated 8th February 2023.	Typically lower rewards, lower risks						Typically higher rewards, higher risks	
	←						→	
	1	2	3	4	5	6	7	

## Investment Review

Performance	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	16/09/19 to 31/10/19 %
SPW Cautious Solution A Accumulation	n/a	n/a	7.38	(2.65)	n/a
SPW Cautious Solution G Accumulation	1.18	(13.28)	n/a	n/a	n/a

Source: Lipper. Basis: Gross revenue reinvested and net of expenses.

As the Fund was launched on 16th September 2019, there is insufficient data available to provide a useful indication of performance to investors for the year ended 31st October 2019.

On 21st March 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

The fund returned 1.2% in the 12 months to 31 October 2023. The benchmark returned 0.7% in the same period.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

**Portfolio Statement**

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.47%, 31/10/22 99.94%)</b>			
<b>Collective Investment Schemes</b>			
Candriam Bonds Total Return S-H GBP Acc	3,256	5,028	1.71
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	394,467	5,729	1.95
iShares North America Index Fund S Acc GBP	362,809	3,856	1.32
Nordea 1 Diversified Return Fund BD GBP Acc	61,340	7,895	2.69
Payden Absolute Return Bond Fund GBP Acc	384,366	4,440	1.51
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	2,528,090	27,177	9.26
Schroder Global Sovereign Bond Tracker Component I GBP Acct	4,275	2	0.00
Schroder Multi-Asset Total Return X GBP (Hedged) Acct	33,065	3,483	1.19
Schroder Sterling Liquidity Fund X Inc	2,680,827	2,681	0.91
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund X Acct	6,277,264	5,023	1.71
SPW Multi-Manager European ex UK Equity Fund X Acct	4,334,616	4,378	1.49
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund X Acct	24,028,227	23,461	8.00
SPW Multi-Manager Global Investment Grade Bond Fund X Acct	98,529,135	94,716	32.28
SPW Multi-Manager Global Real Estate Securities Fund X Inc	14,617,357	11,359	3.87
SPW Multi-Manager Global Sovereign Bond Fund X Acct	31,779,992	30,560	10.42
SPW Multi-Manager Japanese Equity Fund X Acct	2,044,313	2,222	0.76
SPW Multi-Manager North American Equity Fund X Acct	14,561,367	16,003	5.46
SPW Multi-Manager UK Equity Fund X Acct	3,791,483	10,484	3.57
State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	869,881	7,837	2.67
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	143,116	13,716	4.68
		280,050	95.45
<b>Exchange Traded Funds</b>			
iShares Core EUR Corp Bond	39,689	3,957	1.35
iShares Diversified Commodity Swap	579,393	3,301	1.12
iShares USD High Yield Corp Bond	61,746	4,537	1.55
		11,795	4.02
<b>TOTAL FINANCIALS</b>		<b>291,845</b>	<b>99.47</b>
<b>DERIVATIVES (-0.01%, 31/10/22 -0.05%)</b>			
<b>Forward Currency Contracts</b>			
Sold EUR4,343,000 for GBP3,799,613 Settlement 27/11/2023		13	0.01
Sold USD1,505,038 for GBP1,243,512 Settlement 27/11/2023		4	0.00
Sold USD1,504,971 for GBP1,241,711 Settlement 27/11/2023		2	0.00
Sold USD1,242,062 for GBP1,025,732 Settlement 27/11/2023		2	0.00
Sold USD801,198 for GBP660,943 Settlement 27/11/2023		1	0.00
Sold USD1,080,731 for GBP891,469 Settlement 27/11/2023		1	0.00
		23	0.01



**Portfolio Statement**

(continued)

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Canadian Government Bond 10 Year Futures December 2023	(13)	6	0.00
DAX Index Futures December 2023	(10)	222	0.08
E Mini Russell 2000 Index Futures December 2023	(18)	45	0.01
FTSE 100 Index Futures December 2023	58	(93)	(0.03)
Mini TOPIX Index Futures December 2023	272	(195)	(0.07)
S&P 500 E Mini Index Futures December 2023	6	(36)	(0.01)
		(51)	(0.02)
<b>TOTAL DERIVATIVES</b>		<b>(28)</b>	<b>(0.01)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>291,817</b>	<b>99.46</b>
<b>Net other assets</b>		<b>1,591</b>	<b>0.54</b>
<b>Total net assets</b>		<b>293,408</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

Derivative contracts can be exchange traded on a regulated market or over the counter (OTC). The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>◇</sup>Asset managed by the Investment Adviser

**Material Portfolio Changes**

for the year ended 31st October 2023

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	41,931	Schroder Sterling Liquidity Fund X Inc†‡	48,512
iShares Core EUR Corp Bond#	12,945	SPW Multi-Manager Global Investment Grade Bond Fund X	
Vanguard Global Corporate Bond Index Fund GBP (Hedged)		Acct†	14,215
Acc	9,241	Vanguard Global Corporate Bond Index Fund GBP (Hedged)	
Candriam Bonds Total Return S-H GBP Acc	5,824	Acc	10,927
iShares J.P. Morgan Local Emerging Markets Government		iShares Core EUR Corp Bond#	8,695
Bond#	4,715	Nordea 1 Diversified Return Fund BD GBP Acc	8,611
Payden Absolute Return Bond Fund GBP Acc	4,659	Schroder Multi-Asset Total Return X GBP (Hedged) Acct†	6,490
		SPW Multi-Manager Global High Income & Emerging	
iShares USD High Yield Corp Bond#	4,530	Markets Bond Fund X Acct†	4,770
iShares Diversified Commodity Swap	3,368	iShares J.P. Morgan Local Emerging Markets Government	
SPW Multi-Manager Global Investment Grade Bond Fund X		Bond#	4,606
Acct†	3,138	SPW Multi-Manager Global Sovereign Bond Fund X Acct†	4,136
Nordea 1 Diversified Return Fund BD GBP Acc	2,268	SPW Multi-Manager North American Equity Fund X Acct†	3,333

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Cautious Solution

### Comparative Table

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	161.22	150.37
Return before operating charges*	(4.78)	12.68
Operating charges	(1.64)	(1.83)
Return after operating charges*	(6.42)	10.85
Distributions	(0.27)	(1.62)
Retained distributions on accumulation shares	0.27	1.62
Return to shareholder as result of class closure	(154.80)	-
Closing net asset value per share	-	161.22
*after direct transaction cost of:	(0.00)	0.01
<b>Performance</b>		
Return after charges	(3.98)%	7.22%
<b>Other information</b>		
Closing net asset value (£000)	-	54,783
Closing number of shares	-	33,981,289
Operating charges#	1.02%	1.16%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	163.30	163.30
Lowest share price	152.60	149.90

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 21st March 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/22 (p)</b>	<b>31/10/21 (p)</b>
<b>Share Class A - Income</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	114.69	108.06
Return before operating charges*	(3.44)	9.10
Operating charges	(1.16)	(1.31)
Return after operating charges*	(4.60)	7.79
Distributions	(0.19)	(1.16)
Return to shareholder as result of class closure	(109.90)	-
Closing net asset value per share	-	114.69
*after direct transaction cost of:	(0.00)	0.00
<b>Performance</b>		
Return after charges	(4.01)%	7.21%
<b>Other information</b>		
Closing net asset value (£000)	-	9,001
Closing number of shares	-	7,847,759
Operating charges#	1.02%	1.16%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	116.20	116.50
Lowest share price	108.40	107.70

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 21st March 2022 all shareholdings in A Income were converted to G Income shares.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	118.75	136.68	127.49
Return before operating charges*	3.11	(16.48)	10.74
Operating charges	(1.45)	(1.45)	(1.55)
Return after operating charges*	1.66	(17.93)	9.19
Distributions	(2.83)	(1.88)	(1.37)
Retained distributions on accumulation shares	2.83	1.88	1.37
Closing net asset value per share	120.41	118.75	136.68
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges^	1.40%	(13.12)%	7.21%
<b>Other information</b>			
Closing net asset value (£000)	277,591	300,801	326,879
Closing number of shares	230,535,057	253,318,436	239,149,972
Operating charges#	1.17%	1.12%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	126.90	138.50	138.50
Lowest share price	119.00	117.10	127.10

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 69 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class G - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	97.28	113.71	107.14
Return before operating charges*	2.59	(13.63)	9.01
Operating charges	(1.18)	(1.21)	(1.30)
Return after operating charges*	1.41	(14.84)	7.71
Distributions	(2.30)	(1.59)	(1.14)
Closing net asset value per share	96.39	97.28	113.71
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	1.45%	(13.05)%	7.20%
<b>Other information</b>			
Closing net asset value (£000)	15,817	17,330	12,338
Closing number of shares	16,409,274	17,813,893	10,849,954
Operating charges#	1.17%	1.14%	1.16%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	103.50	115.20	115.50
Lowest share price	96.76	96.54	106.80

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

## Statement of Total Return

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital losses	2	(1,650)	(55,365)
Revenue	3	9,731	8,193
Expenses	4	(2,582)	(2,993)
Net revenue before taxation		7,149	5,200
Taxation	5	(62)	(102)
Net revenue after taxation		7,087	5,098
<b>Total return before distributions</b>		<b>5,437</b>	<b>(50,267)</b>
Distributions	6	(7,091)	(5,231)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,654)</b>	<b>(55,498)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	318,131	403,001
Inspecie transfer*	9,352	-
Amounts receivable on creation of shares	8	793
Less: Amounts payable on cancellation of shares	(39,116)	(34,988)
	(39,108)	(34,195)
Dilution adjustment	1	(69)
Change in net assets attributable to shareholders from investment activities	(1,654)	(55,498)
Retained distributions on accumulation shares	6,686	4,892
<b>Closing net assets attributable to shareholders</b>	<b>293,408</b>	<b>318,131</b>

\*Restructuring transfer from SPW Defensive Solution Fund.

Notes to the Financial Statements are on pages 79 to 86.

## SPW Cautious Solution

### Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		289,460	308,875
<b>Current assets</b>			
Debtors	8	1,728	151
Cash and bank balances	9	975	833
Cash equivalents‡		2,681	9,262
<b>Total assets</b>		<b>294,844</b>	<b>319,121</b>
<b>Liabilities</b>			
Investment liabilities		(324)	(356)
<b>Creditors</b>			
Bank overdrafts		(282)	-
Distribution payable		(124)	(110)
Other creditors	10	(706)	(524)
<b>Total liabilities</b>		<b>(1,436)</b>	<b>(990)</b>
<b>Net assets attributable to shareholders</b>		<b>293,408</b>	<b>318,131</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 79 to 86.



## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital losses

The net capital losses during the year comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	(408)	(54,309)
Futures contracts	(1,323)	(1,927)
Forward currency contracts	238	533
ACD's periodic charge rebates taken to capital	73	463
Fund of funds rebates taken to capital	-	8
Currency losses	(218)	(125)
Transaction charges	(12)	(8)
Net capital losses*	(1,650)	(55,365)

\*Includes realised losses of £9,005,000 and unrealised gains of £7,355,000 (31/10/22: realised gains of £2,298,000 and unrealised losses of £57,663,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	1,152	1,202
Interest distribution	5,841	5,006
Offshore distributions	2,723	1,981
Bank interest	1	-
HM Revenue and Customs interest	-	2
Futures income	11	2
AMC rebates	3	-
Total revenue	9,731	8,193

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	2,542	2,936
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	23	40
Safe custody fees	4	3
	27	43
<b>Other expenses:</b>		
Audit fee	13	14
Total expenses	2,582	2,993

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £11,100 (31/10/22: £10,500).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	20	124
Double tax relief	(20)	(6)
Irrecoverable overseas tax	62	6
Total current tax	62	124
Total deferred tax (note 5c)	-	(22)
Total taxation (note 5b)	62	102

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	7,149	5,200
Corporation tax of 20% (2022: 20%)	1,430	1,040
<b>Effects of:</b>		
Non taxable UK dividends*	(160)	(218)
Overseas non-taxable revenue*	(34)	(34)
Non-taxable income taken to capital*	15	-
Taxable income taken to capital	-	94
Irrecoverable overseas tax	62	6
Tax deductible interest distributions	(1,224)	(780)
Double taxation relief	(20)	(6)
Movement in excess management expenses	(7)	-
Total tax charge for year (note 5a)	62	102

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Provision at the start of the year	-	22
Deferred tax (credit) in profit and loss account for the year (note 5a)	-	(22)
Provision at the end of the year	-	-

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £34,955 (31/10/22: £0) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
First interim	1,301	657
Second interim	1,711	1,270
Third interim	1,785	1,252
Final	2,276	2,001
	<hr/> 7,073	<hr/> 5,180
Add: Revenue deducted on cancellation of shares	92	53
Deduct: Revenue received on creation of shares	(74)	(2)
Net distributions for the year	<hr/> 7,091	<hr/> 5,231

Details of the distribution per share are set out in the Distribution Tables on pages 87 to 88.

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	7,087	5,098
Share class A shortfall funded from capital	-	70
Undistributed revenue	-	(3)
Tax charge on rebates taken to capital	-	94
Add: brought forward from previous year	4	-
Prior year corporation tax provision on capital rebates	-	(28)
Net distributions for the year	<hr/> 7,091	<hr/> 5,231

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	1,578	-
Amounts receivable for issue of shares	-	1
Accrued revenue	90	107
Fund of funds rebates receivable	3	4
Corporation tax recoverable	49	-
Income tax receivable	8	39
Expense capping adjustment receivable	(1)	-
Pending transfers#	1	-
Total debtors	<hr/> 1,728	<hr/> 151

#SPW Defensive Solution merged into SPW Cautious Solution.

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	-	137
Amounts held at futures clearing houses and brokers	975	696
Total cash and bank balances	<hr/> 975	<hr/> 833

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**10. Other creditors**

	31/10/23	31/10/22
	£000	£000
Amounts payable for cancellation of shares	492	243
Accrued expenses	214	235
Corporation tax payable	-	46
Total other creditors	706	524

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £72,727 (31/10/22: £463,160).

Amounts paid to/from the ACD in respect of ACD fees are disclosed in notes 2 and 4, with £208,821 (31/10/22: £215,269) due at the year end.

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 49,638,860 shares (31/10/22: 64,440,856 shares) with a cost of £49,664,312 (31/10/22: £64,136,257) and sales of 64,198,432 shares (31/10/22: 89,031,801 shares) with sales proceeds of £69,433,222 (31/10/22: £96,897,330).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 202,681,921 shares (31/10/22: 232,167,078 shares) and value of £204,371,778 (31/10/22: £235,067,290) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £7,137,466 (31/10/22: £4,807,048).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2022: two).

The ACD's periodic charge on each share class is as follows:

	31/10/23
	%
Share Class G - Accumulation:	0.85
Share Class G - Income:	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 73 to 76.

The distributions per share class are given in the Distribution Tables on pages 87 to 88.

**Reconciliation of the shares movement in the year:**

	01/11/22			31/10/23
	Opening shares			Closing shares
	in issue	Creations	Cancellations	in issue
Share Class G - Accumulation	253,318,436	7,297,729	(30,081,108)	230,535,057
Share Class G - Income	17,813,893	688,741	(2,093,360)	16,409,274

There are no conversions in the year to report.

On 27th October 2023 SPW Defensive Solution merged into SPW Cautious Solution.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 68. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

A portion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

The Fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using forward currency contracts. The forward currency contracts are shown in the portfolio statement.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £29,473 (31/10/22: £131,021).

As at 31st October the Fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/10/23 £000	Currency exposure 31/10/22 £000
<b>Currency</b>		
Australian dollar	(131)	-
Canadian dollar	9	-
Euro	26	6,230
Japanese yen	247	-
US dollar	2,796	6,872
Total	2,947	13,102

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each Fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

The sub-fund's net cash holding of £(282,322) (31/10/22: holding £136,827) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £974,777 (31/10/22: cash £695,887), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the Fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the Fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

The fund manager may vary the exposure to the various markets within the benchmark asset mix to take advantage of short term strategic asset allocation positions. Tactical Asset Allocation ("TAA") allows the fund manager to take short term positions away from the benchmark asset mix, but within set parameters, in the anticipation of adding value to the Fund. Derivatives are often used to achieve the optimum TAA positions due to speed of dealing and cost efficiency.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

## 14. Risk management policies, derivatives and other financial instruments (continued)

## (c) Derivatives and other financial instruments (continued)

Due to the use of derivatives, the percentage movements in the value of the Fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	273	115
Forward currency contracts	23	82
<b>Total Financial derivative instrument exposure</b>	<b>296</b>	<b>197</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

## Counterparties to financial derivative instruments and efficient portfolio management techniques

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	13	23
BNP Paribas – Forward currency contracts	2	(25)
Canadian Imperial Bank – Forward currency contracts	-	(18)
CitiBank – Forward currency contracts	-	(41)
JP Morgan – Forward currency contracts	-	(37)
Lloyds Bank – Forward currency contracts	6	-
Morgan Stanley – Forward currency contracts	2	55
Royal Bank of Canada – Forward currency contracts	-	(11)
Merrill Lynch – Futures contracts	(51)	(105)
<b>Total counterparty exposure</b>	<b>(28)</b>	<b>(159)</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
AUD Cash - Merrill Lynch	(131)	-
CAD Cash - Merrill Lynch	9	-
EUR Cash - Merrill Lynch	(144)	(63)
GBP Cash - Merrill Lynch	982	754
JPY Cash - Merrill Lynch	248	-
USD Cash - Merrill Lynch	11	5

## (d) Liquidity risk

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £2,918,167 (31/10/22: £3,177,809).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	106.98	102.91
Commitment leverage	5.72	2.34

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	100,292	98,278	133,389	126,721
<b>Total net trades in the year</b>	<b>100,292</b>	<b>98,278</b>	<b>133,389</b>	<b>126,721</b>

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**15. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	<b>01/11/22 to 31/10/23</b>	<b>01/11/21 to 31/10/22</b>
	<b>%</b>	<b>%</b>
Commissions	0.00	0.01

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (31/10/22: 0.01%).

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/23</b>		<b>31/10/22</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	12,068	(324)	6,352	(220)
Level 2	280,073	-	311,785	(136)
Level 3	-	-	-	-
Total fair value	292,141	(324)	318,137	(356)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.



## SPW Cautious Solution

### Distribution Tables

for the year ended 31st October 2023

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2022  
 Second interim Shares purchased prior to 1st February 2023  
 Third interim Shares purchased prior to 1st May 2023  
 Final Shares purchased prior to 1st August 2023

Group 2 First interim Shares purchased on or between 1st November 2022 and 31st January 2023  
 Second interim Shares purchased on or between 1st February 2023 and 30th April 2023  
 Third interim Shares purchased on or between 1st May 2023 and 31st July 2023  
 Final Shares purchased on or between 1st August 2023 and 31st October 2023

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
	(p)	(p)	(p)	(p)
Group 1				
First Interim	-	-	-	0.2681
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
First Interim	-	-	-	0.2681
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-

On 21st March 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

#### Share Class A - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
	(p)	(p)	(p)	(p)
Group 1				
First Interim	-	-	-	0.1914
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
First Interim	-	-	-	0.1914
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-

On 21st March 2022 all shareholdings in A Income were converted to G Income shares.

**Distribution Tables****(continued)**

for the year ended 31st October 2023

**Share Class G - Accumulation**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.4960	-	0.4960	0.2271
Second Interim	0.6736	-	0.6736	0.4463
Third Interim	0.7267	-	0.7267	0.4553
Final	0.9334	-	0.9334	0.7467
Group 2	(p)	(p)	(p)	(p)
First Interim	0.2192	0.2768	0.4960	0.2271
Second Interim	0.4821	0.1915	0.6736	0.4463
Third Interim	0.5884	0.1383	0.7267	0.4553
Final	0.0146	0.9188	0.9334	0.7467

**Share Class G - Income**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.4067	-	0.4067	0.1903
Second Interim	0.5500	-	0.5500	0.4064
Third Interim	0.5886	-	0.5886	0.3756
Final	0.7540	-	0.7540	0.6157
Group 2	(p)	(p)	(p)	(p)
First Interim	0.3363	0.0704	0.4067	0.1903
Second Interim	0.0593	0.4907	0.5500	0.4064
Third Interim	0.1012	0.4874	0.5886	0.3756
Final	-	0.7540	0.7540	0.6157

### Investment Markets Overview

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for the year ended 31st October 2023

The SPW Defensive Solution Fund closed on 27th October 2023. Termination accounts will be issued within four months of completion date.

#### Investment Objective

The Fund aimed to provide capital growth and income in excess of the benchmark\* (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

\*The Fund's benchmark was a composite of 3.1% MSCI North America (Net Total Return) index, 0.7% MSCI Europe ex UK (Net Total Return) index, 0.4% MSCI Japan (Net Total Return) index, 0.4% MSCI AC Asia Pacific ex Japan (Net Total Return) index, 0.4% MSCI Emerging Markets (Net Total Return) index, 3% MSCI UK IMI (Gross Total Return) index, 15% Bloomberg Global Treasury Value GBP Hedged index, 54% Bloomberg Global Aggregate Corporate Value GBP Hedged index, 5% Bloomberg Global High Yield Corporate Value GBP Hedged index, 5% Bloomberg Emerging Market Debt Value GBP Hedged index, 2% MSCI World IMI Core Real Estate (Net Total Return) index, 8% SONIA plus 2% and 3% SONIA.

#### Investment Policy

The Fund was actively managed and invested its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may have also invested in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

The Fund sought to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund invested within the following ranges:

Equity and equity related securities: 0% – 30%

Fixed and floated rate securities: 40% – 90%

Alternative assets: 0% – 30%

The Fund may have invested up to 20% of its assets in below investment grade bonds (as measured by regulated credit rating agencies) or in unrated bonds.

The Fund may have also invested directly in equity and equity related securities and fixed and floating rate securities.

The Fund may have invested in collective investment schemes and other funds managed by the ACD, the Investment Adviser or their associates.

Where the Fund invested in collective investment schemes managed by the ACD these schemes may integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invested in collective investment schemes and other funds not managed by the ACD, the Investment Adviser may assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund did not invest in a collective investment scheme or other fund managed by the Investment Adviser or by another investment manager which invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may have also invested directly or indirectly in money market instruments, and may hold cash.

The Fund may have used derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management'). The Fund have not taken long positions in single sector equity or bond index derivatives which provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities.

Following approval at Shareholder meetings held on 17 October 2023, the following fund was merged via a Scheme of Arrangement: SPW Defensive Solution into SPW Cautious Solution. The mergers were completed on 27 October 2023.

#### Further Information

The ACD reviewed the components of the composite benchmark at least once a year to ensure the weightings remain aligned with the broader asset allocation policies of the Fund. Shareholders have been notified of any changes to the percentage weightings of the composite benchmark. The current portfolio composite benchmark weightings are set out in the Key Investor Information Document which can be found on our website: <https://www.spw.com/fund-info>

## Investment Markets Overview

(continued)

for the year ended 31st October 2023

## Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

As this Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The fund is ranked at 4* because based on simulated data, it would have experienced medium levels of volatility over the past 5 years. *As disclosed in the key investor information document dated 8th February 2023.	Typically lower rewards, lower risks							Typically higher rewards, higher risks	
	←	1	2	3	4	5	6	7	→

## Investment Review

Performance	01/11/22 to 27/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	16/09/19 to 31/10/19 %
SPW Defensive Solution A Accumulation	n/a	n/a	4.18	(1.12)	n/a
SPW Defensive Solution G Accumulation	2.04	(15.10)	n/a	n/a	n/a

Source: Lipper. Basis: Gross revenue reinvested and net of expenses.

As the Fund was launched on 16th September 2019, there is insufficient data available to provide a useful indication of performance to investors for the year ended 31st October 2019.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
FINANCIALS (0.00%, 31/10/22 100.05%)			

DERIVATIVES (0.00%, 31/10/22 0.00%)

The SPW Defensive Solution Fund commenced termination on 27th October 2023. As all distributions had been made to the shareholders an existence on 27th December 2023, and as all holdings had been sold by way of a scheme of arrangement, there is no portfolio statement as at 31th October 2023.

**Material Portfolio Changes**

for the year ended 31st October 2023

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	960	SPW Multi-Manager Global Investment Grade Bond Fund X Acct	3,778
iShares Core EUR Corp Bond#	493	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	1,914
SPW Multi-Manager North American Equity Fund X Acct	334	SPW Multi-Manager Global Sovereign Bond Fund X Acct	1,387
iShares Diversified Commodity Swap#	316	SPW Multi-Manager Global High Income & Emerging Markets Bond Fund X Acct	1,210
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	313	Schroder Sterling Liquidity Fund X Inc†‡	1,157
Candriam Bonds Total Return S-H GBP Acc	231	Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	938
SPW Multi-Manager Global Real Estate Securities Fund X Inc†	196	Nordea 1 Diversified Return Fund BD GBP Acc	642
Payden Absolute Return Bond Fund GBP Acc	185	SPW Multi-Manager North American Equity Fund X Acct	620
iShares JP Morgan Emerging Markets Local Government Bond#	171	iShares Core EUR Corp Bond#	482
iShares USD High Yield Corp Bond#	149	SPW Multi-Manager UK Equity Fund X Acct	431

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Defensive Solution

### Comparative Table

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	146.63	140.99
Return before operating charges*	(12.08)	7.36
Operating charges	(0.75)	(1.72)
Return after operating charges*	(12.83)	5.64
Distributions	(0.91)	(1.78)
Retained distributions on accumulation shares	0.91	1.78
Return to shareholder as result of class closure	(133.80)	-
Closing net asset value per share	-	146.63
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges	(8.75)%	4.00%
<b>Other information</b>		
Closing net asset value (£000)	-	3,395
Closing number of shares	-	2,315,193
Operating charges#	1.00%	1.18%
Direct transaction costs	0.01%	0.01%
<b>Prices**</b>		
Highest share price	148.20	149.10
Lowest share price	135.50	140.50

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

On 27th October 2023 SPW Defensive Solution merged into SPW Cautious Solution.

# SPW Defensive Solution

## Comparative Table

(continued)

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Income</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	106.31	103.47
Return before operating charges*	(8.70)	5.39
Operating charges	(0.55)	(1.25)
Return after operating charges*	(9.25)	4.14
Distributions	(0.65)	(1.30)
Return to shareholder as result of class closure	(96.41)	-
Closing net asset value per share	-	106.31
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges	(8.70)%	4.00%
<b>Other information</b>		
Closing net asset value (£000)	-	531
Closing number of shares	-	499,677
Operating charges#	1.00%	1.18%
Direct transaction costs	0.01%	0.01%
<b>Prices**</b>		
Highest share price	107.50	108.50
Lowest share price	98.01	103.10

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 9th May 2022 all shareholdings in A Income were converted to G Income shares.

On 27th October 2023 SPW Defensive Solution merged into SPW Cautious Solution.



## SPW Defensive Solution

### Comparative Table

(continued)

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	110.79	130.24	125.23
Return before operating charges*	2.26	(18.12)	6.54
Operating charges	(1.32)	(1.33)	(1.53)
Return after operating charges*	0.94	(19.45)	5.01
Distributions	(2.76)	(2.11)	(1.59)
Retained distributions on accumulation shares	2.76	2.11	1.59
Return to shareholder as result of class closure	(111.73)	-	-
Closing net asset value per share	-	110.79	130.24
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges^	0.85%	(14.93)%	4.00%
<b>Other information</b>			
Closing net asset value (£000)	-	10,660	10,560
Closing number of shares	-	9,621,640	8,107,390
Operating charges#	1.15%	1.10%	1.18%
Direct transaction costs	0.00%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	118.40	131.60	132.40
Lowest share price	110.80	109.10	124.80

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 90 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 27th October 2023 SPW Defensive Solution merged into SPW Cautious Solution.

## SPW Defensive Solution

### Comparative Table

(continued)

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class G - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	91.55	109.58	106.65
Return before operating charges*	1.90	(15.14)	5.56
Operating charges	(1.08)	(1.12)	(1.29)
Return after operating charges*	0.82	(16.26)	4.27
Distributions	(2.26)	(1.77)	(1.34)
Return to shareholder as result of class closure	(90.11)	-	-
Closing net asset value per share	-	91.55	109.58
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges	0.90%	(14.84)%	4.00%
<b>Other information</b>			
Closing net asset value (£000)	-	692	547
Closing number of shares	-	755,623	498,988
Operating charges#	1.15%	1.11%	1.18%
Direct transaction costs	0.00%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	97.30	110.80	111.80
Lowest share price	90.57	90.72	106.30

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 27th October 2023 SPW Defensive Solution merged into SPW Cautious Solution.

## SPW Defensive Solution

### Statement of Total Return

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital losses	2	(112)	(2,352)
Revenue	3	365	328
Expenses	4	(102)	(98)
Interest payables and similar charges		(1)	-
Net revenue before taxation		262	230
Taxation	5	(1)	(4)
Net revenue after taxation		261	226
<b>Total return before distributions</b>		<b>149</b>	<b>(2,126)</b>
Distributions	6	(261)	(228)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(112)</b>	<b>(2,354)</b>

### Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	11,352	15,033
Inspecie transfer*	(9,352)	-
Amounts receivable on creation of shares	11	74
Less: Amounts payable on cancellation of shares	(2,141)	(1,613)
	(2,130)	(1,539)
Dilution adjustment	-	1
Change in net assets attributable to shareholders from investment activities	(112)	(2,354)
Retained distributions on accumulation shares	242	211
<b>Closing net assets attributable to shareholders</b>	<b>-</b>	<b>11,352</b>

\*Restructuring transfer to SPW Cautious Solution.

Notes to the Financial Statements are on pages 99 to 105.

## SPW Defensive Solution

### Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		-	11,168
<b>Current assets</b>			
Debtors	8	-	11
Cash and bank balances	9	50	14
Cash equivalents‡		-	197
<b>Total assets</b>		<b>50</b>	<b>11,390</b>
<b>Liabilities</b>			
Investment liabilities		-	(7)
<b>Creditors</b>			
Distribution payable		(4)	(5)
Other creditors	10	(46)	(26)
<b>Total liabilities</b>		<b>(50)</b>	<b>(38)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>11,352</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 99 to 105.

## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital losses

The net capital losses during the year comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	(76)	(2,348)
Futures contracts	(29)	(41)
Forward currency contracts	11	30
ACD's periodic charge rebates taken to capital	1	16
Currency losses	(7)	(2)
Transaction charges	(10)	(7)
Pending transfers†	(2)	-
Net capital losses*	(112)	(2,352)

\*Includes realised losses of £2,063,000 and unrealised gains of £1,951,000 (31/10/22: realised losses of £58,000 and unrealised losses of £2,294,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

†Pending transfers due to the merger of SPW Defensive Solution into SPW Cautious Solution.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	21	24
Interest distribution	223	199
Offshore distributions	121	105
Total revenue	365	328

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	83	102
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	2
<b>Other expenses:</b>		
Audit fee	13	14
Legal fees	27	-
Expense capping adjustment‡	(22)	(20)
Total expenses	102	98

Expenses include irrecoverable VAT.

‡Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The Deloitte LLP audit fee for the year, exclusive of VAT is £6,300 (31/10/22: £10,500).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	-	4
Irrecoverable overseas tax	1	-
Total current tax	1	4
Total taxation (note 5b)	1	4

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	262	230
Corporation tax of 20% (2022: 20%)	52	46
<b>Effects of:</b>		
Non taxable UK dividends*	(3)	(4)
Overseas non-taxable revenue*	(1)	(1)
Taxable income taken to capital	-	3
Irrecoverable overseas tax	1	-
Tax deductible interest distributions	(48)	(40)
Total tax charge for year (note 5a)	1	4

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
First interim	59	36
Second interim	69	55
Third interim	64	59
Special/Final	66	76
	258	226
Add: Revenue deducted on cancellation of shares	3	2
Net distributions for the year	261	228

Details of the distribution per share are set out in the Distribution Tables on pages 106 to 107.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	261	226
Tax charge on rebates taken to capital	-	4
Prior year corporation tax provision on capital rebates	-	(2)
Net distributions for the year	261	228

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Amounts receivable for issue of shares	-	1
Accrued revenue	2	1
Income tax receivable	-	1
Expense capping adjustment receivable	(2)	8
Total debtors	-	11

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	50	5
Amounts held at futures clearing houses and brokers	-	9
Total cash and bank balances	50	14

**10. Other creditors**

	31/10/23 £000	31/10/22 £000
Accrued expenses	43	23
Corporation tax payable	-	3
Pending transfers*	3	-
Total other creditors	46	26

\*Pending transfers due to the merger of SPW Defensive Solution into SPW Cautious Solution.

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £1,281 (31/10/22: £16,402).

Amounts paid to the ACD in respect of ACD fees are disclosed in notes 2 and 4, with £5,670 (31/10/22: £7,527) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 1,799,638 shares (31/10/22: 1,108,721 shares) with a cost of £1,865,837 (31/10/22: £1,102,552) and sales of 9,496,594 shares (31/10/22: 2,817,149 shares) with sales proceeds of £9,828,393 (31/10/22: £3,175,872).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of nil shares (31/10/22: 7,696,956 shares) and value of £nil (31/10/22: £7,768,810) held at the year-end.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**11. Related party transactions (continued)**

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £249,607 (31/10/22: £nil).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2022: two).

The ACD's periodic charge on each share class is as follows:

	<b>31/10/23</b>
	<b>%</b>
Share Class G - Accumulation:	0.78
Share Class G - Income:	0.78

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 93 to 96.

The distributions per share class are given in the Distribution Tables on pages 106 to 107.

**Reconciliation of the shares movement in the year:**

	<b>01/11/22</b>			<b>31/10/23</b>
	<b>Opening shares</b>			<b>Closing shares</b>
	<b>in issue</b>	<b>Creations</b>	<b>Cancellations</b>	<b>in issue</b>
Share Class G - Accumulation	9,621,640	9,288	(9,630,928)	-
Share Class G - Income	755,623	-	(755,623)	-

There are no conversions in the year to report.

On 27th October 2023 SPW Defensive Solution merged into SPW Cautious Solution.

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 90. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

A portion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using forward currency contracts. The forward currency contracts are shown in the portfolio statement.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £0 (31/10/22: £5,550).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

	<b>Currency exposure</b>	<b>Currency exposure</b>
	<b>31/10/23</b>	<b>31/10/22</b>
<b>Currency</b>	<b>£000</b>	<b>£000</b>
Euro	-	227
US dollar	-	328
Total	-	555



## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

## 14. Risk management policies, derivatives and other financial instruments (continued)

## (b) Interest rate risk profile of financial assets and liabilities

The sub-fund receives revenue from holdings in collective investment schemes and exchange traded funds. The cash flow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing an income return.

The sub-fund's net cash holding of £49,900 (31/10/22: holding £4,489) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £0 (31/10/22: cash £9,340), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

## (c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

The sub-fund manager may vary the exposure to the various markets within the benchmark asset mix to take advantage of short term strategic asset allocation positions. Tactical Asset Allocation ("TAA") allows the sub-fund manager to take short term positions away from the benchmark asset mix, but within set parameters, in the anticipation of adding value to the sub-fund. Derivatives are often used to achieve the optimum TAA positions due to speed of dealing and cost efficiency.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23 £000	31/10/22 £000
<b>Financial derivative instrument exposure - fair value</b>		
Exchange traded derivatives	-	6
Forward currency contracts	-	1
<b>Total Financial derivative instrument exposure</b>	<b>-</b>	<b>7</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	31/10/23 £000	31/10/22 £000
BNP Paribas – Forward currency contracts	-	(1)
Canadian Imperial Bank – Forward currency contracts	-	(1)
CitiBank – Forward currency contracts	-	(2)
JP Morgan – Forward currency contracts	-	(1)
Morgan Stanley – Forward currency contracts	-	1
Merrill Lynch – Futures contracts	-	4
<b>Total counterparty exposure</b>	<b>-</b>	<b>-</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

<b>Collateral</b>	31/10/23 £000	31/10/22 £000
Broker cash balances to increase counterparty exposure:		
EUR Cash - Merrill Lynch	-	4
GBP Cash - Merrill Lynch	-	5

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(d) Liquidity risk*

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

*(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £0 (31/10/22: £113,583).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	0.00	102.07
Commitment leverage	0.00	0.69

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

## 15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Collective Investment Schemes	3,914	2,766	15,467	4,042
<b>Total net trades in the year</b>	<b>3,914</b>	<b>2,766</b>	<b>15,467</b>	<b>4,042</b>

## Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %
<b>Commissions</b>				
Collective Investment Schemes	0.00	0.00	0.00	0.00
<b>Taxes</b>				
Collective Investment Schemes	0.00	0.00	0.00	0.00

## Total transaction cost expressed as a percentage of average net asset value

	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %
Commissions	0.00	0.00
Taxes	0.00	0.00
<b>Total costs</b>	<b>0.00</b>	<b>0.00</b>

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

## Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.01%).

## 16. Fair value

Valuation technique	31/10/23		31/10/22	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	228	(2)
Level 2	-	-	11,137	(5)
Level 3	-	-	-	-
<b>Total fair value</b>	<b>-</b>	<b>-</b>	<b>11,365</b>	<b>(7)</b>

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

## SPW Defensive Solution

### Distribution Tables

for the year ended 31st October 2023

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2022  
 Second interim Shares purchased prior to 1st February 2023  
 Third interim Shares purchased prior to 1st May 2023  
 Special/Final Shares purchased prior to 1st August 2023

Group 2 First interim Shares purchased on or between 1st November 2022 and 31st January 2023  
 Second interim Shares purchased on or between 1st February 2023 and 30th April 2023  
 Third interim Shares purchased on or between 1st May 2023 and 31st July 2023  
 Special/Final Shares purchased on or between 1st August 2023 and 27th October 2023

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 27/12/2023	Distributions paid to 30/12/2022
	(p)	(p)	(p)	(p)
Group 1				
First Interim	-	-	-	0.3551
Second Interim	-	-	-	0.5527
Third Interim	-	-	-	-
Special/Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
First Interim	-	-	-	0.3551
Second Interim	-	-	-	0.5527
Third Interim	-	-	-	-
Special/Final	-	-	-	-

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

#### Share Class A - Income

	Net revenue	Equalisation	Distributions paid/payable to 27/12/2023	Distributions paid to 30/12/2022
	(p)	(p)	(p)	(p)
Group 1				
First Interim	-	-	-	0.2574
Second Interim	-	-	-	0.3897
Third Interim	-	-	-	-
Special/Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
First Interim	-	-	-	0.2574
Second Interim	-	-	-	0.3897
Third Interim	-	-	-	-
Special/Final	-	-	-	-

On 9th May 2022 all shareholdings in A Income were converted to G Income shares.

**Distribution Tables****(continued)**

for the year ended 31st October 2023

**Share Class G - Accumulation**

	Net revenue	Equalisation	Distributions paid/payable to 27/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.5870	-	0.5870	0.3143
Second Interim	0.7105	-	0.7105	0.4935
Third Interim	0.6912	-	0.6912	0.5630
Special/Final	0.7678	-	0.7678	0.7394
Group 2	(p)	(p)	(p)	(p)
First Interim	0.4265	0.1605	0.5870	0.3143
Second Interim	0.4812	0.2293	0.7105	0.4935
Third Interim	0.0934	0.5978	0.6912	0.5630
Special/Final	0.4762	0.2916	0.7678	0.7394

**Share Class G - Income**

	Net revenue	Equalisation	Distributions paid/payable to 27/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.4850	-	0.4850	0.2655
Second Interim	0.5839	-	0.5839	0.4144
Third Interim	0.5662	-	0.5662	0.4714
Special/Final	0.6236	-	0.6236	0.6159
Group 2	(p)	(p)	(p)	(p)
First Interim	0.4850	-	0.4850	0.2655
Second Interim	0.5839	-	0.5839	0.4144
Third Interim	0.5662	-	0.5662	0.4714
Special/Final	0.6236	-	0.6236	0.6159

## Investment Markets Overview

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for the year ended 31st October 2023

### Investment Objective

The Fund aims to provide capital growth and income in excess of the benchmark\* (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

\*The Fund's benchmark is a composite of 13.2% MSCI North America (Net Total Return) index, 2.9% MSCI Europe ex UK (Net Total Return) index, 1.5% MSCI Japan (Net Total Return) index, 1.7% MSCI AC Asia Pacific ex Japan (Net Total Return) index, 1.7% MSCI Emerging Markets (Net Total Return) index, 9% MSCI UK IMI (Gross Total Return) index, 10% Bloomberg Global Treasury Value GBP Hedged index, 36% Bloomberg Global Aggregate Corporate Value GBP Hedged index, 3.5% Bloomberg Global High Yield Corporate Value GBP Hedged index, 3.5% Bloomberg Emerging Market Debt Value GBP Hedged index, 4% MSCI World IMI Core Real Estate (Net Total Return) Index, 7% SONIA plus 2%, 4% SONIA and 2% Bloomberg Commodity Total Return index.

### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds (collective investment schemes and other funds) in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

The Fund seeks to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund will invest within the following ranges:

Equity and equity related securities; 10% – 50%

Fixed and floating rate securities : 20% – 70%

Alternative assets: 0% – 30%

The Fund may invest up to 20% of its assets in below investment grade bonds (as measured by a regulated credit rating agency) or in unrated bonds.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may invest in collective investment schemes and other funds managed by the ACD, the Investment Adviser or their associates.

Where the Fund invests in collective investment schemes managed by the ACD these schemes will integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invests in collective investment schemes and other funds not managed by the ACD, the Investment Adviser will assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund will not invest in a collective investment scheme or other fund managed by the Investment Adviser or by another investment manager which invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management'). The Fund will not take long positions in single sector equity or bond index derivatives which provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities.

### Further Information

The ACD will review the components of the composite benchmark at least once a year to ensure the weightings remain aligned with the broader asset allocation policies of the Fund. Shareholders will be notified of any changes to the percentage weightings of the composite benchmark. The current portfolio composite benchmark weightings are set out in the Key Investor Information Document which can be found on our website: <https://www.spw.com/fund-info>

### Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

## Investment Markets Overview

(continued)

for the year ended 31st October 2023

## Synthetic Risk and Reward Indicator

As this Fund has been available for less than 5 years, we have used simulated historical data for the part of the 5 year period before the Fund began. The Fund is ranked at 4* because, based on simulated data, it would have experienced medium levels of volatility over the past 5 years. *As disclosed in the key investor information document dated 8th February 2023.	Typically lower rewards, lower risks						Typically higher rewards, higher risks	
	←						→	
	1	2	3	4	5	6	7	

## Investment Review

Performance	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	16/09/19 to 31/10/19 %
SPW Discovery Solution A Accumulation	n/a	n/a	12.71	(6.42)	n/a
SPW Discovery Solution G Accumulation	1.53	(11.22)	n/a	n/a	n/a

Source: Lipper. Basis: Net revenue reinvested and net of expenses.

As the Fund was launched on 16th September 2019, there is insufficient data available to provide a useful indication of performance to investors for the year ended 31st October 2019.

On 14th March 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

The fund returned 1.5% in the 12 months to 31 October 2023. The benchmark returned 1.4% in the same period.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

## Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.15%, 31/10/22 99.67%)</b>			
<b>Collective Investment Schemes</b>			
Candriam Bonds Total Return S-H GBP Acc	1,701	2,626	1.69
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	240,603	3,494	2.25
Nordea 1 Diversified Return Fund BD GBP Acc	33,621	4,327	2.79
Payden Absolute Return Bond Fund GBP Acc	181,139	2,093	1.35
Schroder Global Sovereign Bond Tracker Component I GBP Acct	2,138	1	0.00
Schroder Multi-Asset Total Return X GBP (Hedged) Acct	17,166	1,808	1.17
Schroder Sterling Liquidity Fund X Inc	6,924,143	6,924	4.46
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund X Acct	6,395,032	5,117	3.30
SPW Multi-Manager European ex UK Equity Fund X Acct	4,417,325	4,462	2.88
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund X Acct	11,189,386	10,925	7.04
SPW Multi-Manager Global Investment Grade Bond Fund X Acct	52,252,003	50,230	32.37
SPW Multi-Manager Global Real Estate Securities Fund X Inc	7,570,419	5,883	3.79
SPW Multi-Manager Global Sovereign Bond Fund X Acct	12,855,733	12,362	7.97
SPW Multi-Manager Japanese Equity Fund X Acct	2,060,316	2,240	1.44
SPW Multi-Manager North American Equity Fund X Acct	14,907,336	16,383	10.56
SPW Multi-Manager UK Equity Fund X Acct	3,641,925	10,070	6.49
State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	362,503	3,266	2.10
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	58,745	5,630	3.63
		147,841	95.28
<b>Exchange Traded Funds</b>			
iShares Core EUR Corp Bond	20,998	2,094	1.35
iShares Diversified Commodity Swap	265,358	1,512	0.97
iShares USD High Yield Corp Bond	32,665	2,400	1.55
		6,006	3.87
<b>TOTAL FINANCIALS</b>		<b>153,847</b>	<b>99.15</b>
<b>DERIVATIVES (-0.23%, 31/10/22 -0.24%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD195,000 for GBP117,405 Settlement 27/11/2023		(2)	(0.01)
Bought JPY28,842,000 for GBP159,348 Settlement 27/11/2023		(2)	0.00
Bought USD325,718 for GBP268,677 Settlement 27/11/2023~		0	0.00
Bought USD241,470 for GBP199,199 Settlement 27/11/2023~		0	0.00
Bought USD453,578 for GBP374,235 Settlement 27/11/2023~		0	0.00
Bought USD374,341 for GBP309,142 Settlement 27/11/2023		(1)	0.00
Bought USD453,598 for GBP374,778 Settlement 27/11/2023		(1)	0.00
Sold EUR4,214,000 for GBP3,686,753 Settlement 27/11/2023		13	0.01
		7	0.00



**Portfolio Statement**

(continued)

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Canadian Government Bond 10 Year Futures December 2023	(7)	3	0.00
DAX Index Futures December 2023	(9)	153	0.10
E Mini Russell 2000 Index Futures December 2023	(10)	25	0.02
FTSE 100 Index Futures December 2023	54	(92)	(0.06)
Mini TOPIX Index Futures December 2023	248	(116)	(0.08)
S&P 500 E Mini Index Futures December 2023	27	(330)	(0.21)
		(357)	(0.23)
<b>TOTAL DERIVATIVES</b>		<b>(350)</b>	<b>(0.23)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>153,497</b>	<b>98.92</b>
<b>Net other assets</b>		<b>1,674</b>	<b>1.08</b>
<b>Total net assets</b>		<b>155,171</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

Derivative contracts can be exchange traded on a regulated market or over the counter (OTC). The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>◇</sup>Asset managed by the Investment Adviser.

<sup>~</sup>The market value of the holding is below £500 and is therefore rounded down to £0.

**Material Portfolio Changes**

for the year ended 31st October 2023

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	21,146	Schroder Sterling Liquidity Fund X Inc†‡	26,183
iShares Core EUR Corp Bond#	7,036	SPW Multi-Manager Global Investment Grade Bond Fund X Acct	8,749
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	4,776	Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	5,488
Candriam Bonds Total Return S-H GBP Acc	3,049	iShares Core EUR Corp Bond#	4,796
iShares J.P. Morgan Local Government Bond#	2,534	Nordea 1 Diversified Return Fund BD GBP Acc	4,544
Payden Absolute Return Bond Fund GBP Acc	2,441	SPW Multi-Manager North American Equity Fund X Acct	3,440
iShares USD High Yield Corp Bond#	2,397	Schroder Multi-Asset Total Return X GBP (Hedged) Acct	3,339
iShares Diversified Commodity Swap#	1,739	SPW Multi-Manager UK Equity Fund X Acct	3,054
SPW Multi-Manager North American Equity Fund X Acct	1,579	iShares J.P. Morgan Local Government Bond#	2,476
SPW Multi-Manager Global Investment Grade Bond Fund X Acct	1,378	SPW Multi-Manager Global High Income & Emerging Markets Bond Fund X Acct	1,849

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Fund.

**Comparative Table**

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	177.17	157.40
Return before operating charges*	(5.42)	21.77
Operating charges	(1.75)	(2.00)
Return after operating charges*	(7.17)	19.77
Distributions	(0.17)	(1.44)
Retained distributions on accumulation shares	0.17	1.44
Return to shareholder as result of class closure	(170.00)	-
Closing net asset value per share	-	177.17
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges	(4.05)%	12.56%
<b>Other information</b>		
Closing net asset value (£000)	-	37,252
Closing number of shares	-	21,026,028
Operating charges#	0.99%	1.16%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	180.10	179.30
Lowest share price	169.30	157.00

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 14th March 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/22 (p)</b>	<b>31/10/21 (p)</b>
<b>Share Class A - Income</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	129.93	116.38
Return before operating charges*	(4.52)	16.10
Operating charges	(0.79)	(1.48)
Return after operating charges*	(5.31)	14.62
Distributions	(0.12)	(1.07)
Return to shareholder as result of class closure	(124.50)	-
Closing net asset value per share	-	129.93
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges	(4.09)%	12.56%
<b>Other information</b>		
Closing net asset value (£000)	-	5,292
Closing number of shares	-	4,073,254
Operating charges#	0.99%	1.17%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	132.10	131.90
Lowest share price	124.00	116.10

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 14th March 2022 all shareholdings in A Income were converted to G Income shares.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	130.52	146.83	130.44
Return before operating charges*	3.91	(14.78)	18.05
Operating charges	(1.56)	(1.53)	(1.66)
Return after operating charges*	2.35	(16.31)	16.39
Distributions	(2.99)	(1.91)	(1.20)
Retained distributions on accumulation shares	2.99	1.91	1.20
Closing net asset value per share	132.87	130.52	146.83
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges^	1.80%	(11.11)%	12.57%
<b>Other information</b>			
Closing net asset value (£000)	144,648	159,534	156,598
Closing number of shares	108,863,221	122,236,531	106,650,664
Operating charges#	1.15%	1.10%	1.16%
Direct transaction costs	0.00%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	140.10	149.30	148.60
Lowest share price	131.00	128.90	130.10

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 109 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table**

(continued)

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class G - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	108.78	124.14	111.20
Return before operating charges*	3.31	(12.47)	15.37
Operating charges	(1.29)	(1.27)	(1.41)
Return after operating charges*	2.02	(13.74)	13.96
Distributions	(2.47)	(1.62)	(1.02)
Closing net asset value per share	108.33	108.78	124.14
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges	1.86%	(11.07)%	12.55%
<b>Other information</b>			
Closing net asset value (£000)	10,523	12,665	10,727
Closing number of shares	9,714,068	11,642,662	8,640,802
Operating charges#	1.15%	1.11%	1.16%
Direct transaction costs	0.00%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	116.40	126.20	126.00
Lowest share price	108.90	108.20	110.90

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Statement of Total Return**

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital losses	2	(54)	(24,735)
Revenue	3	5,033	4,043
Expenses	4	(1,342)	(1,499)
Net revenue before taxation		3,691	2,544
Taxation	5	(33)	(50)
Net revenue after taxation		3,658	2,494
<b>Total return before distributions</b>		<b>3,604</b>	<b>(22,241)</b>
Distributions	6	(3,658)	(2,581)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(54)</b>	<b>(24,822)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	172,199	209,869
Amounts receivable on creation of shares	180	465
Less: Amounts payable on cancellation of shares	(20,525)	(15,656)
	(20,345)	(15,191)
Dilution adjustment	-	(31)
Change in net assets attributable to shareholders from investment activities	(54)	(24,822)
Retained distributions on accumulation shares	3,371	2,374
<b>Closing net assets attributable to shareholders</b>	<b>155,171</b>	<b>172,199</b>

*Notes to the Financial Statements are on pages 119 to 126.*

## SPW Discovery Solution

### Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		147,117	159,667
<b>Current assets</b>			
Debtors	8	1,408	496
Cash and bank balances	9	1,372	1,073
Cash equivalents‡		6,924	11,961
<b>Total assets</b>		<b>156,821</b>	<b>173,197</b>
<b>Liabilities</b>			
Investment liabilities		(544)	(412)
<b>Creditors</b>			
Distribution payable		(86)	(88)
Other creditors	10	(1,020)	(498)
<b>Total liabilities</b>		<b>(1,650)</b>	<b>(998)</b>
<b>Net assets attributable to shareholders</b>		<b>155,171</b>	<b>172,199</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 119 to 126.



## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital losses

The net capital losses during the year comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	638	(24,293)
Futures contracts	(527)	(1,833)
Forward currency contracts	(84)	1,211
ACD's periodic charge rebates taken to capital	39	235
Fund of funds rebates taken to capital	-	1
Currency losses	(108)	(48)
Transaction charges	(12)	(8)
Net capital losses*	(54)	(24,735)

\*Includes realised losses of £3,876,000 and unrealised gains of £3,822,000 (31/10/22: realised gains of £2,003,000 and unrealised losses of £26,738,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	966	1,031
Interest distribution	2,961	2,478
Offshore distributions	1,094	534
Futures income	11	-
AMC rebates	1	-
Total revenue	5,033	4,043

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	1,320	1,468
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	13	21
Safe custody fees	2	2
	15	23
<b>Other expenses:</b>		
Audit fee	13	14
Expense capping adjustment‡	(6)	(6)
	7	8
Total expenses	1,342	1,499

Expenses include irrecoverable VAT.

‡Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The Deloitte LLP audit fee for the year, exclusive of VAT is £11,100 (31/10/22: £10,500).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	11	60
Corporation tax prior year adjustment	-	2
Double tax relief	(11)	(3)
Irrecoverable overseas tax	33	3
Total current tax	33	62
Total deferred tax (note 5c)	-	(12)
Total taxation (note 5b)	33	50

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	3,691	2,544
Corporation tax of 20% (2022: 20%)	738	509
<b>Effects of:</b>		
Non taxable UK dividends*	(155)	(194)
Overseas non-taxable revenue*	(19)	(18)
Taxable income taken to capital	-	45
Irrecoverable overseas tax	33	3
Tax deductible interest distributions	(557)	(296)
Adjustments in respect of prior years	-	2
Double taxation relief	(11)	(3)
Movement in excess management expenses	(4)	-
Rebated capital expenses not utilised as deductible for tax purposes	8	2
Total tax charge for year (note 5a)	33	50

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Provision at the start of the year	-	12
Deferred tax (credit) in profit and loss account for the year (note 5a)	-	(12)
Provision at the end of the year	-	-

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
First interim	564	196
Second interim	940	664
Third interim	857	511
Final	1,263	1,195
	<hr/> 3,624	<hr/> 2,566
Add: Revenue deducted on cancellation of shares	34	15
Net distributions for the year	<hr/> 3,658	<hr/> 2,581

Details of the distribution per share are set out in the Distribution Tables on pages 127 to 128.

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	3,658	2,494
Share class A shortfall funded from capital	-	42
Tax charge on rebates taken to capital	-	45
Net distributions for the year	<hr/> 3,658	<hr/> 2,581

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	1,306	400
Amounts receivable for issue of shares	-	1
Accrued revenue	74	70
Fund of funds rebates receivable	3	4
Corporation tax recoverable	26	-
Income tax receivable	5	21
Expense capping adjustment receivable	(6)	-
Total debtors	<hr/> 1,408	<hr/> 496

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	18	35
Amounts held at futures clearing houses and brokers	1,354	1,038
Total cash and bank balances	<hr/> 1,372	<hr/> 1,073

**10. Other creditors**

	31/10/23 £000	31/10/22 £000
Purchases awaiting settlement	502	344
Amounts payable for cancellation of shares	398	20
Accrued expenses	120	130
Corporation tax payable	-	4
Total other creditors	<hr/> 1,020	<hr/> 498

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £39,049 (31/10/22: £234,928).

Amounts paid to Scottish Widows Schroder Personal Wealth ACD Limited in respect of ACD fees are disclosed in note 2 and 4, with £113,630 (31/10/22: £124,411) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 14,466,600 shares (31/10/22: 47,593,520 shares) with a cost of £14,822,569 (31/10/22: £47,275,649) and sales of 34,350,399 shares (31/10/22: 48,779,303 shares) with sales proceeds of £36,717,251 (31/10/22: £53,908,758).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 122,232,922 shares (31/10/22: 143,384,687 shares) and value of £126,405,210 (31/10/22: £147,725,720) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £nil (31/10/22: £2,764,614).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2022: two).

The ACD's periodic charge on each share class is as follows:

	<b>31/10/23</b>
	<b>%</b>
Share Class G - Accumulation:	0.85
Share Class G - Income:	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 113 to 116.

The distributions per share class are given in the Distribution Tables on pages 127 to 128.

**Reconciliation of the shares movement in the year:**

	<b>01/11/22</b>			<b>31/10/23</b>
	<b>Opening shares</b>			<b>Closing shares</b>
	<b>in issue</b>	<b>Creations</b>	<b>Cancellations</b>	<b>in issue</b>
Share Class G - Accumulation	122,236,531	131,629	(13,504,939)	108,863,221
Share Class G - Income	11,642,662	1,851	(1,930,445)	9,714,068

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 108. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

A portion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(a) Currency risk (continued)*

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using forward currency contracts. The forward currency contracts are shown in the portfolio statement.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £40,808 (31/10/22: £115,043).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

	<b>Currency exposure 31/10/23</b>	<b>Currency exposure 31/10/22</b>
<b>Currency</b>	<b>£000</b>	<b>£000</b>
Australian dollar	(71)	-
Canadian dollar	123	-
Euro	(1,504)	3,405
Japanese yen	174	-
US dollar	5,358	8,099
Total	4,080	11,504

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in regulated collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing an income return and potential for capital growth.

The sub-fund's net cash holding of £18,429 (31/10/22: holding £34,095) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £1,353,818 (31/10/22: cash £1,039,031), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of efficient portfolio management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. All derivative contracts were traded on an eligible derivatives exchange.

The sub-fund manager may vary the exposure to the various markets within the benchmark asset mix to take advantage of short term strategic asset allocation positions. Tactical Asset Allocation ("TAA") allows the sub-fund manager to take short term positions away from the benchmark asset mix, but within set parameters, in the anticipation of adding value to the sub-fund. Derivatives are often used to achieve the optimum TAA positions due to speed of dealing and cost efficiency.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(c) Derivatives and other financial instruments (continued)*

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the period end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	181	-
Forward currency contracts	13	-
<b>Total Financial derivative instrument exposure</b>	<b>194</b>	<b>-</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	13	(33)
BNP Paribas – Forward currency contracts	(1)	(13)
Canadian Imperial Bank – Forward currency contracts	-	(10)
CitiBank – Forward currency contracts	-	(22)
JP Morgan – Forward currency contracts	-	(21)
Lloyds Bank – Forward currency contracts	(1)	-
Morgan Stanley – Forward currency contracts	(2)	(82)
Royal Bank of Canada – Forward currency contracts	-	(6)
UBS – Forward currency contracts	(2)	-
Merrill Lynch – Futures contracts	(357)	(225)
<b>Total counterparty exposure</b>	<b>(350)</b>	<b>(412)</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
AUD Cash - Merrill Lynch	(71)	-
CAD Cash - Merrill Lynch	5	-
EUR Cash - Merrill Lynch	(79)	(34)
GBP Cash - Merrill Lynch	1,139	737
JPY Cash - Merrill Lynch	133	-
USD Cash - Merrill Lynch	227	336

*(d) Liquidity risk*

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £1,534,975 (31/10/22: £1,712,159).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	109.79	103.00
Commitment leverage	13.95	5.55

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	50,912	64,980	73,389	69,085
<b>Total net trades in the year</b>	<b>50,912</b>	<b>64,980</b>	<b>73,389</b>	<b>69,085</b>

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**15. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (31/10/22: 0.01%).

**16. Fair value**

Valuation technique	31/10/23		31/10/22	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	6,187	(538)	3,358	(225)
Level 2	147,854	(6)	168,270	(187)
Level 3	-	-	-	-
Total fair value	154,041	(544)	171,628	(412)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.



# SPW Discovery Solution

## Distribution Tables

for the year ended 31st October 2023

### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2022  
 Second interim Shares purchased prior to 1st February 2023  
 Third interim Shares purchased prior to 1st May 2023  
 Final Shares purchased prior to 1st August 2023

Group 2 First interim Shares purchased on or between 1st November 2022 and 31st January 2023  
 Second interim Shares purchased on or between 1st February 2023 and 30th April 2023  
 Third interim Shares purchased on or between 1st May 2023 and 31st July 2023  
 Final Shares purchased on or between 1st August 2023 and 31st October 2023

### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
	(p)	(p)	(p)	(p)
Group 1				
First Interim	-	-	-	0.1682
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
First Interim	-	-	-	0.1682
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-

On 14th March 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

### Share Class A - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
	(p)	(p)	(p)	(p)
Group 1				
First Interim	-	-	-	0.1239
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
First Interim	-	-	-	0.1239
Second Interim	-	-	-	-
Third Interim	-	-	-	-
Final	-	-	-	-

On 21st March 2022 all shareholdings in A Income were converted to G Income shares.

**Distribution Tables****(continued)**

for the year ended 31st October 2023

**Share Class G - Accumulation**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.4370	-	0.4370	0.1393
Second Interim	0.7557	-	0.7557	0.4827
Third Interim	0.7120	-	0.7120	0.3809
Final	1.0810	-	1.0810	0.9049
Group 2	(p)	(p)	(p)	(p)
First Interim	0.2800	0.1570	0.4370	0.1393
Second Interim	0.5177	0.2380	0.7557	0.4827
Third Interim	0.4694	0.2426	0.7120	0.3809
Final	0.7648	0.3162	1.0810	0.9049

**Share Class G - Income**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.3621	-	0.3621	0.1178
Second Interim	0.6283	-	0.6283	0.4244
Third Interim	0.5883	-	0.5883	0.3208
Final	0.8880	-	0.8880	0.7593
Group 2	(p)	(p)	(p)	(p)
First Interim	0.2364	0.1257	0.3621	0.1178
Second Interim	0.4786	0.1497	0.6283	0.4244
Third Interim	0.4149	0.1734	0.5883	0.3208
Final	0.5825	0.3055	0.8880	0.7593

## Investment Markets Overview

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for the year ended 31st October 2023

### Investment Objective

The Fund aims to provide capital growth and income in excess of the benchmark\* (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

\*The Fund's benchmark is a composite of 33.5% MSCI North America (Net Total Return) index, 7.3% MSCI Europe ex UK (Net Total Return) index, 3.8% MSCI Japan (Net Total Return) index, 4.2% MSCI AC Asia Pacific ex Japan (Net Total Return) index, 4.2% MSCI Emerging Markets (Net Total Return) index, 23% MSCI UK IMI (Gross Total Return) index, 2% Bloomberg Global Treasury Value GBP Hedged index, 8% Bloomberg Global Aggregate Corporate Value GBP Hedged index, 1% Bloomberg Global High Yield Corporate Value GBP Hedged index, 1% Bloomberg Emerging Market Debt Value GBP Hedged index, 5% MSCI World IMI Core Real Estate (Net Total Return) index, 4% SONIA and 3% Bloomberg Commodity Total Return index.

### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

The Fund seeks to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund will invest within the following ranges:

Equity and equity related securities: 40% – 95%

Fixed and floated rated securities : 0% – 30%

Alternative assets: 0% – 30%

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may invest in collective investment schemes and other funds managed by the ACD, the Investment Adviser or their associates.

Where the Fund invests in collective investment schemes managed by the ACD these schemes will integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invests in collective investment schemes and other funds not managed by the ACD, the Investment Adviser will assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund will not invest in a collective investment scheme or other fund managed by the Investment Adviser or by another investment manager which invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management'). The Fund will not take long positions in single sector equity or bond index derivatives which provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities.

The ACD will review the components of the composite benchmark at least once a year to ensure the weightings remain aligned with the broader asset allocation policies of the Fund. Shareholders will be notified of any changes to the percentage weightings of the composite benchmark. The current portfolio composite benchmark weightings are set out in the Key Investor Information Document which can be found on our website: <https://www.spw.com/fund-info>

### Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

## Investment Markets Overview

(continued)

for the year ended 31st October 2023

## Synthetic Risk and Reward Indicator

<p>The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8th February 2023.</p>	<p>Typically lower rewards, lower risks</p> <p>Typically higher rewards, higher risks</p>						
	←						
	1	2	3	4	5	6	7

## Investment Review

Performance	01/11/22 to 27/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	16/09/19 to 31/10/19 %
SPW Dynamic Solution A Accumulation	n/a	n/a	27.59	(10.49)	n/a
SPW Dynamic Solution G Accumulation	2.65	(5.93)	n/a	n/a	n/a

Source: Lipper. Basis: Net revenue reinvested and net of expenses.

As the Fund was launched on 16th September 2019, there is insufficient data available to provide a useful indication of performance to investors for the year ended 31st October 2019.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

The fund returned 2.7% in the 12 months to 31 October 2023. The benchmark returned 2.8% in the same period.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

**Portfolio Statement**

as at 31st October 2023

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
<b>FINANCIALS (100.71%, 31/10/22 100.06%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	263,657	3,829	3.02
iShares North America Index Fund S Acc GBP	520,564	5,532	4.37
iShares UK Equity Index Fund D Acc	1,664,604	4,362	3.45
Schroder Global Sovereign Bond Tracker Component I GBP Acct	4,275	2	0.00
Schroder Sterling Liquidity Fund X Inc	6,417,508	6,417	5.07
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund X Acct	13,145,953	10,520	8.31
SPW Multi-Manager European ex UK Equity Fund X Acct	9,151,267	9,243	7.30
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund X Acct	2,625,669	2,564	2.03
SPW Multi-Manager Global Investment Grade Bond Fund X Acct	7,765,584	7,465	5.90
SPW Multi-Manager Global Real Estate Securities Fund X Acct	2,290,882	6,185	4.89
SPW Multi-Manager Global Sovereign Bond Fund X Acct	597,712	575	0.45
SPW Multi-Manager Japanese Equity Fund X Acct	4,373,702	4,754	3.76
SPW Multi-Manager North American Equity Fund X Acct	31,791,420	34,939	27.60
SPW Multi-Manager UK Equity Fund X Acct	7,017,053	19,402	15.33
State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	196,216	1,768	1.40
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	26,333	2,524	1.99
		120,081	94.87
<b>Exchange Traded Funds</b>			
iShares Core EUR Corp Bond	19,197	1,914	1.51
iShares Diversified Commodity Swap	270,298	1,541	1.22
iShares USD High Yield Corp Bond	27,018	1,985	1.57
		5,440	4.30
<b>Government Bonds</b>			
UK Treasury 0% 22/04/2024	2,000,000	1,950	1.54
		1,950	1.54
<b>TOTAL FINANCIALS</b>		<b>127,471</b>	<b>100.71</b>
<b>DERIVATIVES (-0.06%, 31/10/22 -0.24%)</b>			
<b>Forward Currency Contracts</b>			
Bought AUD84,000 for GBP43,777 Settlement 27/11/2023~		0	0.00
Bought CAD1,926,000 for GBP1,145,439 Settlement 27/11/2023		(2)	0.00
Bought CAD1,279,000 for GBP770,058 Settlement 27/11/2023		(10)	(0.01)
Sold EUR1,692,000 for GBP1,480,300 Settlement 27/11/2023		5	0.01
Sold EUR2,553,000 for GBP2,230,366 Settlement 27/11/2023		5	0.00
Sold USD79,989 for GBP65,981 Settlement 27/11/2023~		0	0.00
Sold USD111,393 for GBP92,037 Settlement 27/11/2023~		0	0.00
Sold USD91,930 for GBP75,919 Settlement 27/11/2023~		0	0.00
Sold USD111,388 for GBP91,903 Settlement 27/11/2023~		0	0.00
Sold USD59,300 for GBP48,919 Settlement 27/11/2023~		0	0.00
Sold USD1,391,000 for GBP1,144,987 Settlement 27/11/2023		(1)	0.00
		(3)	(0.00)

**Portfolio Statement**

(continued)

as at 31st October 2023

	Holdings or Nominal Values	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Canadian Government Bond 10 Year Futures December 2023	(6)	1	0.00
E Mini Russell 2000 Index Futures December 2023	(8)	(1)	0.00
FTSE 100 Index Futures December 2023	72	(54)	(0.04)
Mini DAX Index Futures December 2023	(39)	39	0.03
Mini TOPIX Index Futures December 2023	204	(17)	(0.01)
S&P 500 E Mini Index Futures December 2023	15	(43)	(0.04)
		(75)	(0.06)
<b>TOTAL DERIVATIVES</b>		<b>(78)</b>	<b>(0.06)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>127,393</b>	<b>100.65</b>
<b>Net other liabilities</b>		<b>(819)</b>	<b>(0.65)</b>
<b>Total net assets</b>		<b>126,574</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

Derivative contracts can be exchange traded on a regulated market or over the counter (OTC).

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>◇</sup>Asset managed by the Investment Adviser.

<sup>~</sup>The market value of the holding is below £500 and is therefore rounded down to £0.

**Material Portfolio Changes**

for the year ended 31st October 2023

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
SPW Multi-Manager North American Equity Fund X Acct†	23,402	Schroder Sterling Liquidity Fund X Inc†‡	7,382
SPW Multi-Manager UK Equity Fund X Acct†	12,426	SPW Multi-Manager North American Equity Fund X Acct†	2,080
Schroder Sterling Liquidity Fund X Inc†‡	9,864	SPW Multi-Manager UK Equity Fund X Acct†	1,631
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund X Acct†	6,707	iShares Core EUR Corp Bond#	1,210
		Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	973
SPW Multi-Manager European ex UK Equity Fund X Acct†	5,744	SPW Multi-Manager Global Investment Grade Bond Fund X Acct†	922
SPW Multi-Manager Global Investment Grade Bond Fund X Acct†	5,222		
SPW Multi-Manager Global Real Estate Securities Fund X Acct†	3,848	SPW Multi-Manager European ex UK Equity Fund X Acct†	677
		iShares JP Morgan Emerging Markets Local Government Bond#	733
iShares North America Index Fund S Acc GBP	3,490	SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund X Acct†	623
iShares Core EUR Corp Bond#	3,163	iShares USD High Yield Corp Bond#	471
SPW Multi-Manager Japanese Equity Fund X Acct†	2,968		

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

**Comparative Table**

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	240.55	188.53
Return before operating charges*	(0.35)	55.22
Operating charges	(3.10)	(3.20)
Return after operating charges*	(3.45)	52.02
Distributions	-	(0.74)
Retained distributions on accumulation shares	-	0.74
Return to shareholder as result of class closure	(237.10)	-
Closing net asset value per share	-	240.55
*after direct transaction cost of:	0.01	0.02
<b>Performance</b>		
Return after charges	(1.43)%	27.59%
<b>Other information</b>		
Closing net asset value (£000)	-	18,149
Closing number of shares	-	7,544,702
Operating charges#	1.29%	1.42%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	247.90	242.00
Lowest share price	228.30	188.40

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.



**Comparative Table**

(continued)

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	182.65	192.43	150.81
Return before operating charges*	6.34	(7.15)	44.17
Operating charges	(2.61)	(2.63)	(2.55)
Return after operating charges*	3.73	(9.78)	41.62
Distributions	(2.43)	(1.57)	(0.59)
Retained distributions on accumulation shares	2.43	1.57	0.59
Closing net asset value per share	186.38	182.65	192.43
*after direct transaction cost of:	0.01	0.01	0.01
<b>Performance</b>			
Return after charges^	2.04%	(5.08)%	27.60%
<b>Other information</b>			
Closing net asset value (£000)	126,574	50,534	38,053
Closing number of shares	67,912,915	27,666,767	19,775,279
Operating charges#	1.37%	1.39%	1.42%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	197.80	198.30	193.60
Lowest share price	182.60	178.10	150.70

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 130 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Statement of Total Return**

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital gains/(losses)	2	397	(3,209)
Revenue	3	1,143	938
Expenses	4	(501)	(498)
Net revenue before taxation		642	440
Taxation	5	(13)	(1)
Net revenue after taxation		629	439
<b>Total return before distributions</b>		<b>1,026</b>	<b>(2,770)</b>
Distributions	6	(629)	(439)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>397</b>	<b>(3,209)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	50,534	56,202
Inspecie transfers*	78,302	-
Amounts receivable on creation of shares	679	774
Less: Amounts payable on cancellation of shares	(4,974)	(3,680)
	(4,295)	(2,906)
Dilution adjustment	(18)	11
Change in net assets attributable to shareholders from investment activities	397	(3,209)
Retained distributions on accumulation shares	1,654	436
<b>Closing net assets attributable to shareholders</b>	<b>126,574</b>	<b>50,534</b>

\*Restructuring transfer from SPW Strategic Solution Fund and SPW Adventurous Solution Fund on 27th October 2023.

Notes to the Financial Statements are on pages 138 to 145.

**Balance Sheet**

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		121,104	46,634
<b>Current assets</b>			
Debtors	8	34	597
Cash and bank balances	9	813	349
Cash equivalents‡		6,417	3,935
<b>Total assets</b>		<b>128,368</b>	<b>51,515</b>
<b>Liabilities</b>			
Investment liabilities		(128)	(125)
<b>Creditors</b>			
Other creditors	10	(1,666)	(856)
<b>Total liabilities</b>		<b>(1,794)</b>	<b>(981)</b>
<b>Net assets attributable to shareholders</b>		<b>126,574</b>	<b>50,534</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 138 to 145.

## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital gains/(losses)

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

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	500	(2,935)
Futures contracts	(65)	(494)
Forward currency contracts	-	222
ACD's periodic charge rebates taken to capital	15	34
Fund of funds rebates taken to capital	-	1
Currency losses	(42)	(29)
Transaction charges	(11)	(8)
Net capital gains/(losses)*	397	(3,209)

\*Includes realised losses of £264,000 and unrealised gains of £661,000 (31/10/22: realised gains of £935,000 and unrealised losses of £4,144,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	684	719
Interest distribution	168	147
Offshore distributions	285	68
Futures income	6	4
Total revenue	1,143	938

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	502	495
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	4	6
Safe custody fees	1	-
	5	6
<b>Other expenses:</b>		
Audit fee	13	14
Expense capping adjustment‡	(19)	(17)
	(6)	(3)
Total expenses	501	498

Expenses include irrecoverable VAT.

‡Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The Deloitte LLP audit fee for the year, exclusive of VAT is £11,100 (31/10/22: £10,500).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	9	-
Double tax relief	(9)	-
Irrecoverable overseas tax	13	1
Total current tax	13	1
Total taxation (note 5b)	13	1

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	642	440
Corporation tax of 20% (2022: 20%)	128	88
<b>Effects of:</b>		
Non taxable UK dividends*	(122)	(140)
Non-taxable income taken to capital*	-	7
Rebated capital expenses deductible for tax purposes	3	-
Irrecoverable overseas tax	13	1
Double taxation relief	(9)	-
Movement in excess management expenses	-	45
Total tax charge for year (note 5a)	13	1

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £73,938 (31/10/22: £73,938) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Final	1,654	435
Add: Revenue deducted on cancellation of shares	18	26
Deduct: Revenue received on creation of shares	(1,043)	(22)
Net distributions for the year	629	439

Details of the distribution per share are set out in the Distribution Tables on page 146.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	629	439
Net distributions for the year	629	439

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	-	548
Amounts receivable for issue of shares	-	4
Accrued revenue	14	-
Corporation tax recoverable	-	30
Income tax receivable	2	10
Expense capping adjustment receivable	(2)	5
Pending transfers#	20	-
Total debtors	34	597

#SPW Adventurous Solution and SPW Strategic Solution merged into SPW Dynamic Solution.

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	447	11
Amounts held at futures clearing houses and brokers	366	338
Total cash and bank balances	813	349

**10. Other creditors**

	31/10/23 £000	31/10/22 £000
Purchases awaiting settlement	1,359	584
Amounts payable for cancellation of shares	244	215
Accrued expenses	63	57
Total other creditors	1,666	856

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £15,168 (31/10/22: £34,470).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD fees are disclosed in notes 2 and 4, with £57,428 (31/10/22: £49,227) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 58,504,962 shares (31/10/22: 15,432,088 shares) with a cost of £69,254,389 (31/10/22: £16,344,974) and sales of 12,630,541 shares (31/10/22: 24,877,412 shares) with sales proceeds of £13,799,823 (31/10/22: £27,456,309).

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

**11. Related party transactions (continued)**

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 85,181,025 shares (31/10/22: 36,639,825 shares) and value of £102,065,659 (31/10/22: £42,399,781) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £787,120 (31/10/22: £611,347).

*Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

The sub-fund has one share class in issue (31/10/2022: one).

The ACD's periodic charge on each share class is as follows:

	31/10/23
	%
Share Class G - Accumulation:	1.15

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 134 to 135.

The distributions per share class are given in the Distribution Tables on page 146.

**Reconciliation of the shares movement in the year:**

	01/11/22 Opening shares in issue	Creations	Cancellations	31/10/23 Closing shares in issue
Share Class G - Accumulation	27,666,767	42,870,774	(2,624,626)	67,912,915

There are no conversions in the year to report.

On 27th October 2023 SPW Adventurous Solution and SPW Strategic Solution merged into SPW Dynamic Solution.

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 129. The risks inherent in the sub-fund's investment portfolio are as follows:

**(a) Currency risk**

A portion of the sub-fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

The ACD seeks to manage the portfolio exposure to currency movements by using forward currency contracts. The forward currency contracts are shown in the portfolio statement.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £20,881 (31/10/22: £29,377).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/10/23 £000	Currency exposure 31/10/22 £000
Australian dollar	44	34
Canadian dollar	1,904	-
Euro	(1,896)	957

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(a) Currency risk (continued)*

	Currency exposure 31/10/23 £000	Currency exposure 31/10/22 £000
<b>Currency</b>		
Japanese yen	23	-
US dollar	2,013	1,947
Total	2,088	2,938

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

The sub-fund's net cash holding of £446,502 (31/10/22: holding £11,403) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £366,435 (31/10/22: cash £338,078), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of Efficient Portfolio Management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

The sub-fund manager may vary the exposure to the various markets within the benchmark asset mix to take advantage of short term strategic asset allocation positions. Tactical Asset Allocation ("TAA") allows the sub-fund manager to take short term positions away from the benchmark asset mix, but within set parameters, in the anticipation of adding value to the sub-fund. Derivatives are often used to achieve the optimum TAA positions due to speed of dealing and cost efficiency.



## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

## 14. Risk management policies, derivatives and other financial instruments (continued)

## (c) Derivatives and other financial instruments (continued)

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	40	4
Forward currency contracts	10	1
<b>Total Financial derivative instrument exposure</b>	<b>50</b>	<b>5</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

## Counterparties to financial derivative instruments and efficient portfolio management techniques

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	5	(6)
BNP Paribas – Forward currency contracts	(1)	(4)
Canadian Imperial Bank – Forward currency contracts	-	(3)
CitiBank – Forward currency contracts	-	(6)
HSBC Bank – Forward currency contracts	-	-
JP Morgan – Forward currency contracts	(2)	(5)
Lloyds Bank – Forward currency contracts	-	-
Morgan Stanley – Forward currency contracts	5	(13)
Royal Bank of Canada – Forward currency contracts	-	(2)
UBS – Forward currency contracts	(10)	-
Merrill Lynch – Futures contracts	(74)	(81)
<b>Total counterparty exposure</b>	<b>(77)</b>	<b>(120)</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
EUR Cash - Merrill Lynch	(21)	(10)
GBP Cash - Merrill Lynch	295	291
JPY Cash - Merrill Lynch	41	-
USD Cash - Merrill Lynch	52	57

## (d) Liquidity risk

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £127,393 (31/10/22: £504,443).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	112.39	102.40
Commitment leverage	15.36	6.10

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	92,239	19,795	18,674	31,684
<b>Total net trades in the year</b>	<b>92,239</b>	<b>19,795</b>	<b>18,674</b>	<b>31,684</b>

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**15. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equities, futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.01%).

**16. Fair value**

Valuation technique	31/10/23		31/10/22	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	7,430	(115)	989	(85)
Level 2	120,091	(13)	49,580	(40)
Level 3	-	-	-	-
Total fair value	127,521	(128)	50,569	(125)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

**Distribution Tables**

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for the year ended 31st October 2023

**Distribution in pence per share**

Group 1 Final Shares purchased prior to 1st November 2022

Group 2 Final Shares purchased on or between 1st November 2022 and 31st October 2023

**Share Class G - Accumulation**

	Net revenue	Equalisation	Distribution payable to 29/12/2023	Distribution paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Final	2.4349	-	2.4349	1.5743
Group 2	(p)	(p)	(p)	(p)
Final	0.0117	2.4232	2.4349	1.5743

**Corporate shareholder information (unaudited) for all share classes**

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend is received as non-taxable income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

## SPW IPS Growth Portfolio

### Investment Markets Overview

for the year ended 31st October 2023

#### Investment Objective

The fund aims to provide capital growth by investing in a diversified range of assets and markets worldwide.

#### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds (collective investment schemes and other funds) to gain exposure to fixed and floating rate securities, equity and equity related securities, and alternative assets worldwide. Exposure to alternative assets including property, commodities and currencies may be obtained through derivatives (where permitted) and by investing in funds that invest indirectly in these assets. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies.

The Fund invests at least 65% of its assets in equity and equity related securities.

The Fund may also invest up to 35% of its assets in fixed and floating rate securities and alternative investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on its or the Investment Adviser's views on the medium to long term outlook for that asset class.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may invest up to 100% of its assets in collective investment schemes and other funds, including funds managed by the ACD, the Investment Adviser or their associates. These may be actively or passively managed.

Where the Fund invests in collective investment schemes managed by the ACD these schemes will integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invests in collective investment schemes and other funds not managed by the ACD, the Investment Adviser will assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund will not invest in a collective investment scheme or other fund that invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may also invest directly and indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund may take long and short positions in markets and securities through derivative contracts. The Fund will not take long positions in single sector equity or bond index derivatives that provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

#### Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

<p>The Fund is ranked at 5* because based on historical data, it would experienced medium to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 11th January 2023.</p>	<p>Typically lower rewards, lower risks</p> <p>Typically higher rewards, higher risks</p>						
	←						
	1	2	3	4	5	6	7

#### Investment Review

Performance	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %
SPW IPS Growth Portfolio A Accumulation	3.19	(4.60)	29.82	(6.46)	8.25

Source: IPS Growth Portfolio A Accumulation share price movement in GBP at valuation point. Basis: Net revenue reinvested and net of expenses. Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down

**Investment Markets Overview****(continued)**

for the year ended 31st October 2023

**Investment Review (continued)***as well as up depending on investment performance and currency exchange rates.*

The fund returned 3.2% in the 12 months to 31 October 2023. The benchmark returned 4.6% in the same period.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

# SPW IPS Growth Portfolio

## Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.61%, 31/10/22 99.11%)</b>			
<b>Collective Investment Schemes</b>			
Candriam Bonds Total Return S-H GBP Acc	1,928	2,977	0.40
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	674,001	9,788	1.30
iShares Europe ex-UK Index Fund	1,553,777	16,691	2.23
iShares Japan Equity Index Fund UK D Acc	5,695,102	15,191	2.03
iShares North America Index Fund S Acc GBP	5,596,835	59,478	7.93
iShares UK Equity Index Fund D Acc	9,517,055	24,940	3.33
Nordea 1 Diversified Return Fund BD GBP Acc	47,832	6,157	0.82
Payden Absolute Return Bond Fund GBP Acc	392,981	4,540	0.60
Schroder Global Sovereign Bond Tracker Component I GBP Inc†	20,682,963	9,988	1.33
Schroder Multi-Asset Total Return X GBP (Hedged) Acct†	23,246	2,449	0.33
Schroder Sterling Liquidity Fund X Inc†	49,846,274	49,846	6.65
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund Q Inc†	99,854,533	77,138	10.29
SPW Multi-Manager European ex UK Equity Fund Q Inc†	51,669,613	49,644	6.62
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund Q Inc†	19,771,539	14,781	1.97
SPW Multi-Manager Global Investment Grade Bond Fund Q Inc†	18,908,857	14,936	1.99
SPW Multi-Manager Global Real Estate Securities Fund P Inc†	13,603,717	22,079	2.94
SPW Multi-Manager Global Sovereign Bond Fund Q Inc†	9,031,379	7,688	1.02
SPW Multi-Manager Japanese Equity Fund Q Inc†	18,600,930	19,416	2.59
SPW Multi-Manager North American Equity Fund Q Inc†	175,986,868	188,816	25.18
SPW Multi-Manager UK Equity Fund P Inc†	39,121,382	78,243	10.43
SPW Multi-Manager UK Equity Income Fund P Inc†	10,437,748	15,364	2.05
State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	616,355	5,553	0.74
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Inc	186,682	14,581	1.94
		710,284	94.71
<b>Exchange Traded Funds</b>			
iShares Core EUR Corp Bond	63,676	6,348	0.85
iShares Diversified Commodity Swap	2,361,991	13,460	1.79
iShares USD High Yield Corp Bond	128,772	9,462	1.26
		29,270	3.90
<b>TOTAL FINANCIALS</b>		<b>739,554</b>	<b>98.61</b>
<b>DERIVATIVES (-0.61%, 31/10/22 -0.49%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD4,636,000 for GBP2,791,236 Settlement 27/11/2023		(39)	(0.01)
Bought USD7,005,205 for GBP5,778,895 Settlement 27/11/2023		(7)	0.00
Bought USD9,449,281 for GBP7,794,481 Settlement 27/11/2023		(8)	0.00
Bought USD13,158,584 for GBP10,856,792 Settlement 27/11/2023		(14)	0.00
Bought USD10,859,858 for GBP8,968,396 Settlement 27/11/2023		(20)	0.00
Bought USD13,159,172 for GBP10,872,545 Settlement 27/11/2023		(30)	0.00
Sold EUR7,227,000 for GBP6,322,772 Settlement 27/11/2023		22	0.00
		(96)	(0.01)

# SPW IPS Growth Portfolio

## Portfolio Statement

(continued)

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Canadian Government Bond 10 Year Futures December 2023	(91)	21	0.00
DAX Index Futures December 2023	(47)	758	0.10
E Mini Russell 2000 Index Futures December 2023	(40)	101	0.02
FTSE 100 Index Futures December 2023	48	(81)	(0.01)
S&P 500 E Mini Index Futures December 2023	367	(4,710)	(0.63)
TOPIX Index Futures December 2023	122	(584)	(0.08)
		(4,495)	(0.60)
<b>TOTAL DERIVATIVES</b>		<b>(4,591)</b>	<b>(0.61)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>734,963</b>	<b>98.00</b>
<b>Net other assets</b>		<b>15,000</b>	<b>2.00</b>
<b>Total net assets</b>		<b>749,963</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

Derivative contracts can be exchange traded on a regulated market or over the counter (OTC). The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>♦</sup>Asset managed by the Investment Adviser.



## SPW IPS Growth Portfolio

### Material Portfolio Changes

for the year ended 31st October 2023

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	152,742	Schroder Sterling Liquidity Fund X Inc†‡	173,722
iShares Core EUR Corp Bond#	16,334	SPW Multi-Manager North American Equity Fund Q Inc†	27,568
iShares Diversified Commodity Swap UCITS#	14,623	SPW Multi-Manager UK Equity Fund P Inc†	22,077
iShares JP Morgan Emerging Markets Local Government Bond#	11,973	SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund Q Inc†	13,179
SPW Multi-Manager North American Equity Fund Q Inc†	11,840	iShares North America Index Fund S Acc GBP	12,160
Schroder Global Sovereign Bond Tracker Component I GBP Inc	10,015	iShares JP Morgan Emerging Markets Local Government Bond#	11,695
		Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	11,026
iShares USD High Yield Corp Bond#	9,466		
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Inc	8,270	SPW Multi-Manager European ex UK Equity Fund Q Inc†	10,337
		State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	10,238
SPW Multi-Manager UK Equity Fund P Inc†	5,298	iShares Core EUR Corp Bond	9,670
Payden Absolute Return Bond Fund GBP Acc	4,503		

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW IPS Growth Portfolio

### Comparative Table

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	244.12	256.33	198.37
Return before operating charges*	8.85	(10.10)	60.13
Operating charges	(2.05)	(2.11)	(2.17)
Return after operating charges*	6.80	(12.21)	57.96
Distributions	(4.10)	(3.12)	(1.89)
Retained distributions on accumulation shares	4.10	3.12	1.89
Closing net asset value per share	250.92	244.12	256.33
*after direct transaction cost of:	0.00	0.01	0.02
<b>Performance</b>			
Return after charges^	2.79%	(4.76)%	29.22%
<b>Other information</b>			
Closing net asset value (£000)	5,797	6,764	7,951
Closing number of shares	2,310,381	2,770,804	3,101,894
Operating charges#	0.81%	0.83%	0.91%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	264.40	265.30	257.60
Lowest share price	243.60	236.90	199.40

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 148 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/22 (p)</b>	<b>31/10/21 (p)</b>
<b>Share Class P - Income</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	209.72	163.57
Return before operating charges*	(4.13)	49.49
Operating charges	(1.44)	(1.50)
Return after operating charges*	(5.57)	47.99
Distributions	(0.15)	(1.84)
Return to shareholder as result of class closure	(204.00)	-
Closing net asset value per share	-	209.72
*after direct transaction cost of:	(0.00)	0.02
<b>Performance</b>		
Return after charges	(2.66)%	29.34%
<b>Other information</b>		
Closing net asset value (£000)	-	116
Closing number of shares	-	55,331
Operating charges#	0.69%	0.76%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	-	211.50
Lowest share price	-	164.40

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class P Income was closed on 2nd March 2022.

**Comparative Table**

(continued)

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class Q - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	197.00	209.48	163.37
Return before operating charges*	7.08	(8.29)	49.40
Operating charges	(1.17)	(1.24)	(1.38)
Return after operating charges*	5.91	(9.53)	48.02
Distributions	(3.68)	(2.95)	(1.91)
Closing net asset value per share	199.23	197.00	209.48
*after direct transaction cost of:	0.00	0.01	0.02
<b>Performance</b>			
Return after charges	3.00%	(4.55)%	29.39%
<b>Other information</b>			
Closing net asset value (£000)	397,572	458,321	663,373
Closing number of shares	199,553,262	232,653,103	316,675,103
Operating charges#	0.57%	0.60%	0.71%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	212.50	216.80	211.30
Lowest share price	196.60	193.10	164.20

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class X - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	227.19	237.86	183.57
Return before operating charges*	8.06	(9.54)	55.53
Operating charges	(1.08)	(1.13)	(1.24)
Return after operating charges*	6.98	(10.67)	54.29
Distributions	(4.49)	(3.59)	(2.42)
Retained distributions on accumulation shares	4.49	3.59	2.42
Closing net asset value per share	234.17	227.19	237.86
*after direct transaction cost of:	0.00	0.01	0.02
<b>Performance</b>			
Return after charges	3.07%	(4.49)%	29.57%
<b>Other information</b>			
Closing net asset value (£000)	346,232	360,697	412,736
Closing number of shares	147,853,170	158,767,268	173,522,092
Operating charges#	0.46%	0.48%	0.56%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	246.60	246.20	239.00
Lowest share price	226.70	220.20	184.50

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class X - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	180.04	191.48	149.33
Return before operating charges*	5.57	(7.65)	45.12
Operating charges	-	(0.91)	(1.01)
Return after operating charges*	5.57	(8.56)	44.11
Distributions	(3.53)	(2.88)	(1.96)
Closing net asset value per share	182.08	180.04	191.48
*after direct transaction cost of:	-	0.01	0.02
<b>Performance</b>			
Return after charges	3.09%	(4.47)%	29.54%
<b>Other information</b>			
Closing net asset value (£000)	362	262	297
Closing number of shares	198,883	145,351	154,935
Operating charges#	0.46%	0.48%	0.57%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	194.20	198.20	193.10
Lowest share price	179.70	176.50	150.10

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Prices for Share Class X Income are not published externally, as this is an internal share class.

**Statement of Total Return**

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital gains/(losses)	2	11,830	(55,280)
Revenue	3	16,289	14,179
Expenses	4	(36)	(103)
Interest payables and similar charges		(40)	(25)
Net revenue before taxation		16,213	14,051
Taxation	5	(1,617)	(338)
Net revenue after taxation		14,596	13,713
<b>Total return before distributions</b>		<b>26,426</b>	<b>(41,567)</b>
Distributions	6	(14,635)	(13,329)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>11,791</b>	<b>(54,896)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	826,044	1,084,473
Amounts receivable on creation of shares	19,322	6,277
Less: Amounts payable on cancellation of shares	(114,036)	(215,699)
	(94,714)	(209,422)
Dilution adjustment	(3)	(1)
Change in net assets attributable to shareholders from investment activities	11,791	(54,896)
Retained distributions on accumulation shares	6,845	5,890
<b>Closing net assets attributable to shareholders</b>	<b>749,963</b>	<b>826,044</b>

*Notes to the Financial Statements are on pages 159 to 166.*

## SPW IPS Growth Portfolio

### Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		690,610	814,352
<b>Current assets</b>			
Debtors	8	9,499	18,723
Cash and bank balances	9	10,948	8,297
Cash equivalents‡		49,846	4,339
<b>Total assets</b>		<b>760,903</b>	<b>845,711</b>
<b>Liabilities</b>			
Investment liabilities		(5,493)	(4,026)
Provision for liabilities	10	(14)	-
<b>Creditors</b>			
Bank overdrafts		-	(1,507)
Distribution payable		(3,218)	(4,045)
Other creditors	11	(2,215)	(10,089)
<b>Total liabilities</b>		<b>(10,940)</b>	<b>(19,667)</b>
<b>Net assets attributable to shareholders</b>		<b>749,963</b>	<b>826,044</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 159 to 166.



## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital gains/(losses)

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

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	13,961	(47,109)
Futures contracts	651	(22,031)
Forward currency contracts	(2,448)	13,345
ACD's periodic charge rebates taken to capital	191	260
Fund of funds rebates taken to capital	2	33
Currency (losses)/gains	(519)	232
Transaction charges	(10)	(10)
Compensation~	2	-
Net capital gains/(losses)*	11,830	(55,280)

\*Includes realised gains of £22,685,000 and unrealised losses of £(10,855,000) (31/10/22: realised gains of £74,344,000 and unrealised losses of £129,624,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

~Compensation received from Schroder Investment Management with regards to the trading error.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	8,853	10,499
Interest distribution	1,710	1,732
Offshore distributions	5,715	1,948
Bank interest	3	-
AMC rebates	3	-
Compensation*	5	-
Total revenue	16,289	14,179

\*Compensation received from Schroder Investment Management Limited due to trading error.

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	(360)	(358)
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	59	103
Safe custody fees	6	9
	65	112

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**4. Expenses (continued)**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Other expenses:</b>		
Audit fee	20	13
Registration fees	680	800
Expense capping adjustment†	(369)	(464)
	<u>331</u>	<u>349</u>
Total expenses	<u>36</u>	<u>103</u>

Expenses include irrecoverable VAT.

†Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The Deloitte LLP audit fee for the year, exclusive of VAT is £12,700 (31/10/22: £12,000).

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	1,603	828
Corporation tax prior year adjustment	-	(5)
Double tax relief	(121)	(11)
Irrecoverable overseas tax	121	11
Total current tax	<u>1,603</u>	<u>823</u>
Deferred taxation	14	(45)
Deferred taxation prior year adjustment	-	(440)
Total deferred tax (note 5c)	<u>14</u>	<u>(485)</u>
Total taxation (note 5b)	<u>1,617</u>	<u>338</u>

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	16,213	14,051
Corporation tax of 20% (2022: 20%)	3,243	2,810
<b>Effects of:</b>		
Non taxable UK dividends*	(1,632)	(2,054)
Overseas non-taxable revenue*	(32)	(33)
Taxable income taken to capital	38	59
Irrecoverable overseas tax	121	11
Adjustments in respect of prior years	-	(4)
Double taxation relief	(121)	(11)
Deferred tax prior year adjustment	-	(440)
Total tax charge for year (note 5a)	<u>1,617</u>	<u>338</u>

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**5. Taxation (continued)****(c) Deferred taxation:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Provision at the start of the year	-	485
Deferred tax charge/(credit) in profit and loss account for the year (note 5a)	14	(485)
Provision at the end of the year	14	-

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
First interim	1,685	296
Second interim	4,654	4,242
Third interim	2,000	1,203
Final	6,121	7,340
	14,460	13,081
Add: Revenue deducted on cancellation of shares	195	262
Deduct: Revenue received on creation of shares	(20)	(14)
Net distributions for the year	14,635	13,329

Details of the distribution per share are set out in the Distribution Tables on pages 167 to 169.

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	14,596	13,713
Tax charge on rebates taken to capital	39	59
Tax relief prior years adjustment	-	(443)
Net distributions for the year	14,635	13,329

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	4,800	12,354
Accrued revenue	4,649	6,255
Fund of funds rebates receivable	3	-
Income tax receivable	17	81
Expense capping adjustment receivable	30	33
Total debtors	9,499	18,723

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	74	208
Amounts held at futures clearing houses and brokers	10,874	8,089
Total cash and bank balances	10,948	8,297

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**10. Provision for liabilities**

	<b>31/10/23</b>	<b>31/10/22</b>
	<b>£000</b>	<b>£000</b>
Deferred taxation	14	-

**11. Other creditors**

	<b>31/10/23</b>	<b>31/10/22</b>
	<b>£000</b>	<b>£000</b>
Purchases awaiting settlement	930	8,001
Amounts payable for cancellation of shares	452	1,724
Accrued expenses	56	53
Corporation tax payable	777	311
Total other creditors	<u>2,215</u>	<u>10,089</u>

**12. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £191,289 (31/10/22: £260,031).

Amounts paid to the ACD in respect of ACD fees are disclosed in notes 2 and 4, with £11,112 (31/10/22: £12,646) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustments are disclosed in note 4 with £29,483 (31/10/22: £33,034) due at the year end.

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 177,441,118 shares (31/10/22: 302,331,844 shares) with a cost of £180,806,631 (31/10/22: £306,083,187) and sales of 251,978,307 shares (31/10/22: 472,170,220 shares) with sales proceeds of £265,738,515 (31/10/22: £496,925,236).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 527,539,049 shares (31/10/22: 584,319,057 shares) and value of £550,388,454 (31/10/22: £618,348,524) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £9,315,287 (31/10/22: £8,060,657).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	<b>31/10/23</b>	<b>31/10/22</b>
	<b>%</b>	<b>%</b>
ACD and associates of the ACD	46.02	43.49

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**13. Share classes**

The sub-fund has four share classes in issue (31/10/2022: four).

The ACD's periodic charge on each share class is as follows:

	<b>31/10/23</b>
	<b>%</b>
Share Class A - Accumulation:	0.35
Share Class Q - Income:	0.20
Share Class X - Accumulation:	-
Share Class X - Income:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 152 to 156.

The distributions per share class are given in the Distribution Tables on pages 167 to 169.

**Reconciliation of the shares movement in the year:**

	<b>01/11/22</b>			<b>31/10/23</b>
	<b>Opening shares</b>			<b>Closing shares</b>
	<b>in issue</b>	<b>Creations</b>	<b>Cancellations</b>	<b>in issue</b>
Share Class A - Accumulation	2,770,804	35,185	(495,608)	2,310,381
Share Class Q - Income	232,653,103	5,556,446	(38,656,287)	199,553,262
Share Class X - Accumulation	158,767,268	3,326,342	(14,240,440)	147,853,170
Share Class X - Income	145,351	59,154	(5,622)	198,883

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**15. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 147. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

The sub-fund's financial assets and liabilities are currently invested in multi-manager regulated collective investment schemes managed within the Scottish Widows Schroder Personal Wealth Limited, and the Scottish Widows Schroder Wealth Holdings Limited whose prices are quoted in Sterling. As a result, the sub-fund does not have any direct exposure to foreign currency movements. However, some of the sub-fund's investments will be affected by movements in exchange rates and ultimately their Sterling values as a result of holdings in investments outside the UK by the sub-funds in which it invests. As a result, movements in exchange rates may affect the Sterling value of the portfolio investments.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £682,635 (31/10/22: £769,463).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

	<b>Currency exposure</b>	<b>Currency exposure</b>
	<b>31/10/23</b>	<b>31/10/22</b>
	<b>£000</b>	<b>£000</b>
Currency		
Canadian dollar	2,738	2,939
Euro	390	(346)
Japanese yen	80	-
US dollar	65,056	74,353
Total	68,264	76,946

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes and exchange traded funds. The cashflow from the sub-fund's investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

## 15. Risk management policies, derivatives and other financial instruments (continued)

## (b) Interest rate risk profile of financial assets and liabilities (continued)

The sub-fund's net cash holding of £74,023 (31/10/22: overdraft £1,298,672) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £10,873,734 (31/10/22: cash £8,088,860), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

## (c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of efficient portfolio management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	880	-
Forward currency contracts	22	-
<b>Total Financial derivative instrument exposure</b>	<b>902</b>	<b>-</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

## Counterparties to financial derivative instruments and efficient portfolio management techniques

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	22	(621)
BNP Paribas – Forward currency contracts	(20)	(68)
Lloyds Bank – Forward currency contracts	(44)	-
Morgan Stanley – Forward currency contracts	(15)	(1,488)
UBS – Forward currency contracts	(39)	-
Merrill Lynch – Futures contracts	(4,495)	(1,849)
<b>Total counterparty exposure</b>	<b>(4,591)</b>	<b>(4,026)</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
EUR Cash - Merrill Lynch	(412)	(166)
GBP Cash - Merrill Lynch	7,860	2,766
JPY Cash - Merrill Lynch	665	-
USD Cash - Merrill Lynch	2,761	5,489

## (d) Liquidity risk

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**15. Risk management policies, derivatives and other financial instruments (continued)***(d) Liquidity risk (continued)*

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

*(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £7,349,625 (31/10/22: £8,146,649).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	112.76	107.70
Commitment leverage	20.11	9.29

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**16. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	262,883	408,728	358,120	616,652
<b>Total net trades in the year</b>	<b>262,883</b>	<b>408,728</b>	<b>358,120</b>	<b>616,652</b>

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**16. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of average net asset value**

	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.00%).

**17. Fair value**

Valuation technique	31/10/23		31/10/22	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	30,150	(5,375)	8,370	(1,849)
Level 2	710,306	(118)	810,321	(2,177)
Level 3	-	-	-	-
Total fair value	740,456	(5,493)	818,691	(4,026)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.



## SPW IPS Growth Portfolio

### Distribution Tables

for the year ended 31st October 2023

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2022  
 Second interim Shares purchased prior to 1st February 2023  
 Third interim Shares purchased prior to 1st May 2023  
 Final Shares purchased prior to 1st August 2023

Group 2 First interim Shares purchased on or between 1st November 2022 and 31st January 2023  
 Second interim Shares purchased on or between 1st February 2023 and 30th April 2023  
 Third interim Shares purchased on or between 1st May 2023 and 31st July 2023  
 Final Shares purchased on or between 1st August 2023 and 31st October 2023

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.3716	-	0.3716	-
Second Interim	1.3378	-	1.3378	0.8774
Third Interim	0.5024	-	0.5024	0.2638
Final	1.8911	-	1.8911	1.9754
Group 2	(p)	(p)	(p)	(p)
First Interim	0.3716	-	0.3716	-
Second Interim	1.3378	-	1.3378	0.8774
Third Interim	-	0.5024	0.5024	0.2638
Final	1.8911	-	1.8911	1.9754

#### Share Class P - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	-	-	-	-
Second Interim	-	-	-	0.1542
Third Interim	-	-	-	-
Final	-	-	-	-
Group 2	(p)	(p)	(p)	(p)
First Interim	-	-	-	-
Second Interim	-	-	-	0.1542
Third Interim	-	-	-	-
Final	-	-	-	-

Share Class P Income was closed on 2nd March 2022.

**Distribution Tables****(continued)**

for the year ended 31st October 2023

**Share Class Q - Income**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.3951	-	0.3951	0.0377
Second Interim	1.1705	-	1.1705	0.9222
Third Interim	0.5015	-	0.5015	0.2519
Final	1.6109	-	1.6109	1.7375
Group 2	(p)	(p)	(p)	(p)
First Interim	0.1833	0.2118	0.3951	0.0377
Second Interim	0.3634	0.8071	1.1705	0.9222
Third Interim	0.4482	0.0533	0.5015	0.2519
Final	0.7501	0.8608	1.6109	1.7375

**Share Class X - Accumulation**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.5106	-	0.5106	0.1108
Second Interim	1.4052	-	1.4052	1.0846
Third Interim	0.6399	-	0.6399	0.3570
Final	1.9341	-	1.9341	2.0414
Group 2	(p)	(p)	(p)	(p)
First Interim	0.3661	0.1445	0.5106	0.1108
Second Interim	1.1185	0.2867	1.4052	1.0846
Third Interim	0.3419	0.2980	0.6399	0.3570
Final	1.7755	0.1586	1.9341	2.0414

**Share Class X - Income**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.4045	-	0.4045	0.0917
Second Interim	1.1112	-	1.1112	0.8721
Third Interim	0.5028	-	0.5028	0.2863
Final	1.5162	-	1.5162	1.6324
Group 2	(p)	(p)	(p)	(p)
First Interim	0.0244	0.3801	0.4045	0.0917
Second Interim	1.1074	0.0038	1.1112	0.8721
Third Interim	0.5028	-	0.5028	0.2863
Final	1.1329	0.3833	1.5162	1.6324

**Corporate shareholder information (unaudited) for all share classes**

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

First interim - 0.00% of the dividend is received as non-taxable income.

First interim - 88.29% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

First interim - 11.71% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Second interim - 71.43% of the dividend is received as non-taxable income.

Second interim - 26.84% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Distribution Tables

(continued)

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for the year ended 31st October 2023

Second interim - 1.73% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Third interim - 1.80% of the dividend is received as non-taxable income.

Third interim - 87.12% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Third interim - 11.08% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Final - 78.75% of the dividend is received as non-taxable income.

Final - 19.96% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 1.29% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

## Investment Markets Overview

for the year ended 31st October 2023

### Investment Objective

The Fund aims to provide income and capital growth by investing in a diversified range of assets and markets worldwide.

### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds (collective investment schemes and other funds) to gain exposure to fixed and floating rate securities, equity and equity related securities, and alternative assets worldwide. Exposure to alternative assets including property, commodities and currencies may be obtained through derivatives (where permitted) and by investing in funds that invest indirectly in these assets. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies.

The Fund will invest at least 60% of its assets in fixed and floating rate securities.

The Fund may also invest up to 40% of its assets in equity and equity related securities and alternative investments.

The Fund may invest up to 25% of its assets in below investment grade bonds (as measured by a regulated credit rating agency) or in unrated bonds.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on its or the Investment Adviser's views on the medium to long term outlook for that asset class.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities.

The Fund may invest up to 100% of its assets in collective investment schemes and other funds, including funds managed by the ACD, the Investment Adviser or their associates. These may be actively or passively managed.

Where the Fund invests in collective investment schemes managed by the ACD these schemes will integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invests in collective investment schemes and other funds not managed by the ACD, the Investment Adviser will assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund will not invest in a collective investment scheme or other fund that invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may also invest directly and indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund may take long and short positions in markets and securities through derivative contracts. The Fund will not take long positions in single sector equity or bond derivatives which provide more than 50% exposure to fossil fuel-based energy securities. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

### Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

<p>The Fund is ranked at 4* because based on historical data, it would experienced medium levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 8th February 2023.</p>	<p>Typically lower rewards, lower risks</p> <p>←</p>							<p>Typically higher rewards, higher risks</p> <p>→</p>	
	1	2	3	4	5	6	7		

### Investment Review

Performance	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %
SPW IPS Income Portfolio A Accumulation	1.82	(14.30)	5.60	(0.87)	7.08

**Investment Markets Overview****(continued)**

for the year ended 31st October 2023

**Investment Review (continued)**

*Source: SPW IPS Income Portfolio A Accumulation share price movement in GBP at valuation point. Basis: Gross revenue reinvested and net of expenses.*

*Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.*

The fund returned 1.8% in the 12 months to 31 October 2023. The benchmark returned 2.7% in the same period.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

# SPW IPS Income Portfolio

## Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.79%, 31/10/22 98.97%)</b>			
<b>Collective Investment Schemes</b>			
Candriam Bonds Total Return S-H GBP Acc	6,644	10,259	1.37
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	322,038	4,677	0.63
Nordea 1 Diversified Return Fund BD GBP Acc	172,980	22,265	2.97
Payden Absolute Return Bond Fund GBP Acc	1,302,517	15,047	2.01
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	11,806,213	126,917	16.95
Schroder Global Sovereign Bond Tracker Component I GBP Inc†	20,064,633	9,689	1.29
Schroder Multi-Asset Total Return X GBP (Hedged) Acc†	87,736	9,243	1.24
Schroder Sterling Liquidity Fund X Inc†	2,050,836	2,051	0.27
SPW Multi-Manager Asia ex Japan & Global Emerging Markets Equity Fund Q Inc†	9,432,660	7,287	0.97
SPW Multi-Manager European ex UK Equity Fund Q Inc†	5,004,110	4,808	0.64
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund Q Inc†	59,787,040	44,697	5.97
SPW Multi-Manager Global Investment Grade Bond Fund Q Inc†	302,161,909	238,677	31.87
SPW Multi-Manager Global Real Estate Securities Fund P Inc†	15,203,976	24,676	3.30
SPW Multi-Manager Global Sovereign Bond Fund Q Inc†	109,283,552	93,033	12.42
SPW Multi-Manager Japanese Equity Fund Q Inc†	2,692,384	2,810	0.38
SPW Multi-Manager North American Equity Fund Q Inc†	19,398,825	20,813	2.78
SPW Multi-Manager UK Equity Fund P Inc†	4,112,500	8,225	1.10
State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	1,116,010	10,054	1.34
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Inc	763,291	59,618	7.96
		714,846	95.46
<b>Exchange Traded Funds</b>			
iShares Core EUR Corp Bond	61,625	6,144	0.82
iShares Diversified Commodity Swap	1,688,008	9,619	1.29
iShares USD High Yield Corp Bond	124,624	9,157	1.22
		24,920	3.33
<b>TOTAL FINANCIALS</b>		<b>739,766</b>	<b>98.79</b>
<b>DERIVATIVES (-0.10%, 31/10/22 0.04%)</b>			
<b>Forward Currency Contracts</b>			
Bought JPY212,392,000 for GBP1,173,436 Settlement 27/11/2023		(13)	0.00
Sold EUR5,730,000 for GBP5,013,074 Settlement 27/11/2023		18	0.00
Sold USD1,934,173 for GBP1,598,078 Settlement 27/11/2023		4	0.00
Sold USD1,596,213 for GBP1,318,201 Settlement 27/11/2023		3	0.00
Sold USD1,934,086 for GBP1,595,762 Settlement 27/11/2023		2	0.00
Sold USD1,388,883 for GBP1,145,656 Settlement 27/11/2023		1	0.00
Sold USD1,029,645 for GBP849,398 Settlement 27/11/2023		1	0.00
		16	0.00

# SPW IPS Income Portfolio

## Portfolio Statement

(continued)

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
Canadian Government Bond 10 Year Futures December 2023	(109)	40	0.01
DAX Index Futures December 2023	(11)	260	0.04
E Mini Russell 2000 Index Futures December 2023	(38)	96	0.01
EURO STOXX 50 Index Futures December 2023	46	(76)	(0.01)
FTSE 100 Index Futures December 2023	38	(65)	(0.01)
S&P 500 E Mini Index Futures December 2023	61	(741)	(0.10)
TOPIX Index Futures December 2023	37	(288)	(0.04)
		(774)	(0.10)
<b>TOTAL DERIVATIVES</b>		<b>(758)</b>	<b>(0.10)</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>739,008</b>	<b>98.69</b>
<b>Net other assets</b>		<b>9,844</b>	<b>1.31</b>
<b>Total net assets</b>		<b>748,852</b>	<b>100.00</b>

Collective investment schemes are regulated within the meaning of the FCA rules and exchange traded funds are quoted on a listed securities market, unless otherwise stated.

Derivative contracts can be exchange traded on a regulated market or over the counter (OTC). The futures contracts were traded on another regulated market.

<sup>^</sup>Including investment liabilities.

<sup>†</sup>This investment is a related party (see note 11).

<sup>‡</sup>Cash equivalents.

<sup>♦</sup>Asset managed by the Investment Adviser.

**Material Portfolio Changes**

for the year ended 31st October 2023

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	154,842	Schroder Sterling Liquidity Fund X Inc†‡	156,744
Payden Absolute Return Bond Fund GBP Acc	17,012	Schroders Personal Wealth Multi-Manager Global	
iShares Core EUR Corp Bond#	16,188	Investment Grade Bond Fund Q Inc†	34,923
		Nordea 1 Diversified Return Fund BD GBP Acc	31,193
Candriam Bonds Total Return S-H GBP Acc	11,501	PIMCO Global Investment Grade Credit Fund Institutional	
iShares J.P. Morgan USD Bond#	11,316	GBP (Hedged) Inc	20,787
		Vanguard Global Corporate Bond Index Fund	15,983
iShares Diversified Commodity Swap#	10,985	Schroders Personal Wealth Multi-Manager Global	
Schroder Global Sovereign Bond Tracker Component I GBP		Sovereign Bond Fund Q Inc†	11,177
Inc†	9,894	State Street Global Treasury Bond Index Fund I GBP	
iShares USD High Yield Corp Bond#	9,161	(Hedged) Acc	11,751
		iShares J.P. Morgan USD Bond#	11,053
Vanguard Global Corporate Bond Index Fund	8,589	Schroder International Selection Fund - Multi-Asset Total	
Nordea 1 Diversified Return Fund BD GBP Acc	5,492	Return†	9,882
		iShares Core EUR Corp Bond#	9,716

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 12).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange traded fund.



## SPW IPS Income Portfolio

### Comparative Table

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	127.07	148.66	141.37
Return before operating charges*	2.97	(20.43)	8.55
Operating charges	(1.10)	(1.16)	(1.26)
Return after operating charges*	1.87	(21.59)	7.29
Distributions	(3.52)	(2.54)	(2.40)
Retained distributions on accumulation shares	3.52	2.54	2.40
Closing net asset value per share	128.94	127.07	148.66
*after direct transaction cost of:	0.00	0.00	0.01
<b>Performance</b>			
Return after charges^	1.47%	(14.52)%	5.16%
<b>Other information</b>			
Closing net asset value (£000)	664	730	873
Closing number of shares	515,223	574,502	587,262
Operating charges#	0.83%	0.83%	0.86%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	135.70	150.40	150.80
Lowest share price	126.80	125.10	141.10

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 148 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class Q - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	96.40	114.92	111.07
Return before operating charges*	2.31	(15.68)	6.69
Operating charges	(0.59)	(0.63)	(0.69)
Return after operating charges*	1.72	(16.31)	6.00
Distributions	(2.89)	(2.21)	(2.15)
Closing net asset value per share	95.23	96.40	114.92
*after direct transaction cost of:	0.00	0.00	0.01
<b>Performance</b>			
Return after charges	1.78%	(14.19)%	5.40%
<b>Other information</b>			
Closing net asset value (£000)	409,287	495,422	794,756
Closing number of shares	429,780,836	513,948,794	691,594,664
Operating charges#	0.59%	0.58%	0.60%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	102.40	116.30	117.30
Lowest share price	95.58	95.57	110.90

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class X - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	125.65	146.48	138.82
Return before operating charges*	2.92	(20.17)	8.36
Operating charges	(0.63)	(0.66)	(0.70)
Return after operating charges*	2.29	(20.83)	7.66
Distributions	(3.94)	(2.99)	(2.86)
Retained distributions on accumulation shares	3.94	2.99	2.86
Closing net asset value per share	127.94	125.65	146.48
*after direct transaction cost of:	0.00	0.00	0.01
<b>Performance</b>			
Return after charges	1.82%	(14.22)%	5.52%
<b>Other information</b>			
Closing net asset value (£000)	338,901	352,219	414,920
Closing number of shares	264,885,969	280,327,019	283,265,029
Operating charges#	0.48%	0.48%	0.48%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	134.30	148.20	148.60
Lowest share price	125.40	123.70	138.60

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

**Statement of Total Return**

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital losses	2	(6,130)	(174,574)
Revenue	3	25,081	22,908
Expenses	4	(1,180)	(1,572)
Interest payables and similar charges		(1)	-
Net revenue before taxation		23,900	21,336
Taxation	5	(259)	(358)
Net revenue after taxation		23,641	20,978
<b>Total return before distributions</b>		<b>17,511</b>	<b>(153,596)</b>
Distributions	6	(23,757)	(21,150)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(6,246)</b>	<b>(174,746)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	848,371	1,210,549
Amounts receivable on creation of shares	16,218	16,668
Less: Amounts payable on cancellation of shares	(120,099)	(212,543)
	(103,881)	(195,875)
Dilution adjustment	(3)	1
Change in net assets attributable to shareholders from investment activities	(6,246)	(174,746)
Retained distributions on accumulation shares	10,611	8,442
<b>Closing net assets attributable to shareholders</b>	<b>748,852</b>	<b>848,371</b>

*Notes to the Financial Statements are on pages 180 to 187.*

## SPW IPS Income Portfolio

### Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		738,140	836,333
<b>Current assets</b>			
Debtors	8	9,078	10,221
Cash and bank balances	9	5,363	4,151
Cash equivalents‡		2,051	3,952
<b>Total assets</b>		<b>754,632</b>	<b>854,657</b>
<b>Liabilities</b>			
Investment liabilities		(1,183)	(304)
Provision for liabilities	10	(16)	-
<b>Creditors</b>			
Distribution payable		(3,861)	(3,614)
Other creditors	11	(720)	(2,368)
<b>Total liabilities</b>		<b>(5,780)</b>	<b>(6,286)</b>
<b>Net assets attributable to shareholders</b>		<b>748,852</b>	<b>848,371</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 180 to 187.

## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital losses

The net capital losses during the year comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	(4,037)	(168,788)
Futures contracts	(3,014)	(7,897)
Forward currency contracts	49	524
ACD's periodic charge rebates taken to capital	1,147	1,627
Fund of funds rebates taken to capital	1	17
Currency losses	(267)	(48)
Transaction charges	(9)	(9)
Net capital losses*	(6,130)	(174,574)

\*Includes realised losses of £15,534,000 and unrealised gains of £9,404,000 (31/10/22: realised losses of £2,482,000 and unrealised losses of £172,092,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	1,687	1,908
Interest distribution	14,361	12,746
Offshore distributions	9,061	8,216
Bank interest	13	2
HM Revenue and Customs interest	-	1
Futures income	(51)	35
Fund of funds rebates	10	-
Total revenue	25,081	22,908

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	755	1,066
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	59	111
Safe custody fees	6	10
	65	121
<b>Other expenses:</b>		
Audit fee	21	14
Registration fees	775	980
Expense capping adjustment‡	(436)	(609)
	360	385
Total expenses	1,180	1,572

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**4. Expenses (continued)**

Expenses include irrecoverable VAT.

‡Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The Deloitte LLP audit fee for the year, exclusive of VAT is £12,700 (31/10/22: £12,000).

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	242	424
Corporation tax prior year adjustment	-	(8)
Double tax relief	(144)	(14)
Irrecoverable overseas tax	145	14
Total current tax	243	416
Total deferred tax (note 5c)	16	(58)
Total taxation (note 5b)	259	358

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	23,900	21,336
Corporation tax of 20% (2022: 20%)	4,780	4,267
<b>Effects of:</b>		
Non taxable UK dividends*	(174)	(326)
Overseas non-taxable revenue*	(117)	(135)
Taxable income taken to capital	114	328
Rebated capital expenses not utilised as deductible for tax purposes	115	-
Irrecoverable overseas tax	145	14
Tax deductible interest distributions	(4,460)	(3,768)
Adjustments in respect of prior years	-	(8)
Double taxation relief	(144)	(14)
Total tax charge for year (note 5a)	259	358

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Provision at the start of the year	-	58
Deferred tax charge/(credit) in profit and loss account for the year (note 5a)	16	(58)
Provision at the end of the year	16	-

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000
First interim	4,687	4,423
Second interim	5,757	4,903
Third interim	6,011	5,261
Final	7,125	6,290
	23,580	20,877
Add: Revenue deducted on cancellation of shares	236	327
Deduct: Revenue received on creation of shares	(59)	(54)
Net distributions for the year	23,757	21,150

Details of the distribution per share are set out in the Distribution Tables on pages 188 to 189.

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000
Net revenue after taxation	23,641	20,978
Tax charge on rebates taken to capital	115	328
Add: deficit carried forward to next year	1	-
Prior year corporation tax provision on capital rebates	-	(156)
Net distributions for the year	23,757	21,150

**8. Debtors**

	31/10/23	31/10/22
	£000	£000
Sales awaiting settlement	4,224	5,601
Accrued revenue	4,792	4,470
Fund of funds rebates receivable	9	9
Income tax receivable	19	100
Expense capping adjustment receivable	34	41
Total debtors	9,078	10,221

**9. Cash and bank balances**

	31/10/23	31/10/22
	£000	£000
Cash and bank balances	2,511	2,852
Amounts held at futures clearing houses and brokers	2,852	1,299
Total cash and bank balances	5,363	4,151

**10. Provision for liabilities**

	31/10/23	31/10/22
	£000	£000
Deferred taxation	16	-



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**11. Other creditors**

	31/10/23	31/10/22
	£000	£000
Amounts payable for cancellation of shares	623	2,044
Accrued expenses	76	72
Corporation tax payable	21	252
Total other creditors	720	2,368

**12. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £1,147,179 (31/10/22: £1,626,626).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £32,225 (31/10/22: £31,338) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 162,599,431 shares (31/10/22: 235,869,950 shares) with a cost of £162,611,956 (31/10/22: £234,520,401) and sales of 242,819,170 shares (31/10/22: 393,501,977 shares) with sales proceeds of £246,973,249 (31/10/22: £401,680,004).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 549,280,161 shares (31/10/22: 607,461,040 shares) and value of £466,009,609 (31/10/22: £542,888,430) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £16,313,103 (31/10/22: £11,075,088).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	31/10/23	31/10/22
	%	%
ACD and associates of the ACD	45.02	41.35

**13. Share classes**

The sub-fund has three share classes in issue (31/10/2022: three).

The ACD's periodic charge on each share class is as follows:

	31/10/23
	%
Share Class A - Accumulation:	0.35
Share Class Q - Income:	0.20
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 175 to 177.

The distributions per share class are given in the Distribution Tables on pages 188 to 189.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**13. Share classes (continued)****Reconciliation of the shares movement in the year:**

	01/11/22 Opening shares in issue	Creations	Cancellations	31/10/23 Closing shares in issue
Share Class A - Accumulation	574,502	-	(59,279)	515,223
Share Class Q - Income	513,948,794	11,073,302	(95,241,260)	429,780,836
Share Class X - Accumulation	280,327,019	4,066,191	(19,507,241)	264,885,969

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**15. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 170. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

The sub-fund's financial assets and liabilities are currently invested in multi-manager regulated collective investment schemes managed within the Schroder Investment Management Limited and the Scottish Widows Schroder Wealth Holdings Limited whose prices are quoted in Sterling. As a result, the sub-fund does not have any direct exposure to foreign currency movements. However, some of the sub-fund's investments will be affected by movements in exchange rates and ultimately their Sterling values as a result of holdings in investments outside the UK by the sub-funds in which it invests. As a result, movements in exchange rates may affect the Sterling value of the portfolio investments.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £144,209 (31/10/22: £136,984).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 31/10/23 £000	Currency exposure 31/10/22 £000
Australian dollar	(342)	-
Canadian dollar	54	-
Euro	1,308	(248)
Japanese yen	1,250	-
US dollar	12,151	13,946
Total	14,421	13,698

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes and exchange traded funds. The cash flow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. Given that the sub-fund's objective is to seek capital growth, these cash flows are considered to be of secondary importance and are not actively managed.

The sub-fund's net cash holding of £2,511,282 (31/10/22: holding £2,851,808) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £2,851,718 (31/10/22: cash £1,299,567), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of efficient portfolio management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**15. Risk management policies, derivatives and other financial instruments (continued)***(c) Derivatives and other financial instruments (continued)*

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the sub-fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23	31/10/22
	£000	£000
<b>Financial derivative instrument exposure - fair value</b>		
Exchange traded derivatives	396	536
Forward currency contracts	29	76
<b>Total Financial derivative instrument exposure</b>	<b>425</b>	<b>612</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	31/10/23	31/10/22
	£000	£000
Bank of America – Forward currency contracts	18	22
BNP Paribas – Forward currency contracts	3	-
Lloyds Bank – Forward currency contracts	6	-
JP Morgan – Forward currency contracts	-	(134)
Morgan Stanley – Forward currency contracts	(11)	54
Merrill Lynch – Futures contracts	(774)	366
<b>Total counterparty exposure</b>	<b>(758)</b>	<b>308</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

<b>Collateral</b>	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
AUD Cash - Merrill Lynch	(342)	-
CAD Cash - Merrill Lynch	14	-
EUR Cash - Merrill Lynch	(30)	(77)
GBP Cash - Merrill Lynch	2,324	1,081
JPY Cash - Merrill Lynch	378	-
USD Cash - Merrill Lynch	507	296

*(d) Liquidity risk*

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**15. Risk management policies, derivatives and other financial instruments (continued)***(e) Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £7,390,084 (31/10/22: £8,399,810).

*(f) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	104.27	101.30
Commitment leverage	4.75	1.76

*(g) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**16. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	269,640	342,727	366,479	538,489
<b>Total net trades in the year</b>	<b>269,640</b>	<b>342,727</b>	<b>366,479</b>	<b>538,489</b>

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**16. Portfolio transaction costs (continued)****Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.00%).

**17. Fair value**

Valuation technique	31/10/23		31/10/22	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	25,316	(1,170)	9,192	(170)
Level 2	714,875	(13)	831,093	(134)
Level 3	-	-	-	-
Total fair value	740,191	(1,183)	840,285	(304)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

## SPW IPS Income Portfolio

### Distribution Tables

for the year ended 31st October 2023

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2022  
 Second interim Shares purchased prior to 1st February 2023  
 Third interim Shares purchased prior to 1st May 2023  
 Final Shares purchased prior to 1st August 2023

Group 2 First interim Shares purchased on or between 1st November 2022 and 31st January 2023  
 Second interim Shares purchased on or between 1st February 2023 and 30th April 2023  
 Third interim Shares purchased on or between 1st May 2023 and 31st July 2023  
 Final Shares purchased on or between 1st August 2023 and 31st October 2023

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.6332	-	0.6332	0.4674
Second Interim	0.8457	-	0.8457	0.5741
Third Interim	0.9119	-	0.9119	0.6562
Final	1.1242	-	1.1242	0.8454
Group 2	(p)	(p)	(p)	(p)
First Interim	0.6332	-	0.6332	0.4674
Second Interim	0.8457	-	0.8457	0.5741
Third Interim	0.9119	-	0.9119	0.6562
Final	1.1242	-	1.1242	0.8454

#### Share Class Q - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.5426	-	0.5426	0.4326
Second Interim	0.6976	-	0.6976	0.5060
Third Interim	0.7466	-	0.7466	0.5662
Final	0.8983	-	0.8983	0.7031
Group 2	(p)	(p)	(p)	(p)
First Interim	0.1117	0.4309	0.5426	0.4326
Second Interim	0.1633	0.5343	0.6976	0.5060
Third Interim	0.6134	0.1332	0.7466	0.5662
Final	0.1489	0.7494	0.8983	0.7031

**Distribution Tables****(continued)**

for the year ended 31st October 2023

**Share Class X - Accumulation**

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
	(p)	(p)	(p)	(p)
Group 1				
First Interim	0.7433	-	0.7433	0.5931
Second Interim	0.9470	-	0.9470	0.6845
Third Interim	1.0221	-	1.0221	0.7643
Final	1.2299	-	1.2299	0.9530
Group 2	(p)	(p)	(p)	(p)
First Interim	0.7272	0.0161	0.7433	0.5931
Second Interim	0.9287	0.0183	0.9470	0.6845
Third Interim	0.6432	0.3789	1.0221	0.7643
Final	1.1118	0.1181	1.2299	0.9530

SPW IPS Strategic Income Portfolio

Investment Markets Overview

for the year ended 31st October 2023

The SPW IPS Strategic Income Portfolio Fund closed on 16th October 2023. Termination accounts will be issued within four months of completion date.

Investment Objective

The Fund aimed to provide income by investing in a diversified range of assets and markets worldwide. The Fund also aimed to provide capital growth.

Investment Policy

The Fund was actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds to gain exposure to fixed and floating rate securities, equity and equity related securities, and alternative assets worldwide. Exposure to alternative assets including property, commodities and currencies may be obtained through derivatives (where permitted) and by investing in funds that invest indirectly in these assets. The Fund may have also invested in funds that use absolute return strategies or other alternative investment strategies.

The Fund had a strategic focus on income-generating securities.

The Fund invested at least 60% of its assets in fixed and floating rate securities.

The Fund may have also invested up to 40% of its assets in equity and equity related securities and alternative investments.

The Fund may have invested up to 45% of its assets in below investment grade bonds (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) or in unrated bonds.

The ACD was responsible for determining the percentage of the Fund normally allocated to each asset class based on its or the Investment Adviser's views on the medium to long term outlook for that asset class.

The Fund may have also invested directly in equity and equity related securities and fixed and floating rate securities.

The Fund may have invested up to 100% of its assets in collective investment schemes and other funds, including funds managed by the ACD, the Investment Adviser or their associates. These may have been actively or passively managed.

Where the Fund invested in collective investment schemes managed by the ACD these schemes may integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invested in collective investment schemes and other funds not managed by the ACD, the Investment Adviser may assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund have not invested in a collective investment scheme or other fund that invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may have also invested directly and indirectly in money market instruments, and may hold cash.

The Fund may have used derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund have taken long and short positions in markets and securities through derivative contracts. The Fund have not taken long positions in single sector equity or bond derivatives which provide more than 50% exposure to fossil fuel-based energy securities. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

<div>The Fund is ranked at 4* because based on historical data, it would have experienced medium levels of volatility over the past 5 years.</div> <div>*As disclosed in the key investor information document dated 8th February 2023.</div>	Typically lower rewards, lower risks						
	Typically higher rewards, higher risks						
	←						→
	1	2	3	4	5	6	7



**Investment Markets Overview**

(continued)

for the year ended 31st October 2023

**Investment Review**

Performance	01/11/22 to 16/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %
SPW IPS Strategic Income Portfolio Q Income	1.17	(16.20)	7.61	(4.79)	4.53

Source: IPS Strategic Income Portfolio Q Income share price movement in GBP at valuation point. Basis: Gross revenue reinvested and net of expenses. Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (0.00%, 31/10/22 98.61%)</b>			
<b>DERIVATIVES (0.00%, 31/10/22 0.02%)</b>			
SPW IPS Strategic Income Portfolio was closed on 16th October 2023.			

## SPW IPS Strategic Income Portfolio

### Material Portfolio Changes

for the year ended 31st October 2023

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	2,401	SPW Multi-Manager Global Investment Grade Bond Fund Q Inc†	3,598
iShares Core EUR Corp Bond#	161	SPW Multi-Manager Global High Income & Emerging Markets Bond Fund Q Inc†	3,228
iShares JP Morgan Emerging Markets Local Government Bond#	135	Schroder Sterling Liquidity Fund X Inc†‡	2,441
SPW Multi-Manager Global Sovereign Bond Fund Q Inc†	132	Vanguard Global Corporate Bond Index Fund GBP (Hedged) Inc	1,503
SPW Multi-Manager Global High Income & Emerging Markets Bond Fund Q Inc†	119	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	546
SPW Multi-Manager Global Investment Grade Bond Fund Q Inc†	113	SPW Multi-Manager Global Sovereign Bond Fund Q Inc†	502
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Inc	85	State Street Global Treasury Bond Index Fund I GBP (Hedged) Inc	370
iShares Diversified Commodity Swap#	83	SPW Multi-Manager Global Real Estate Securities Fund P Inc†	343
Amundi Physical Gold#	45	SPW Multi-Manager North American Equity Fund Q Inc†	322
SPW Multi-Manager Global Real Estate Securities Fund P Inc†	33	SPW Multi-Manager UK Equity Income Fund P Inc†	172

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 12).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

# SPW IPS Strategic Income Portfolio

## Comparative Table

as at 31st October 2023

	31/10/23 (p)	31/10/22 (p)	31/10/21 (p)
<b>Share Class Q - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	90.32	111.18	105.76
Return before operating charges*	3.32	(17.20)	8.59
Operating charges	(0.92)	(0.74)	(0.77)
Return after operating charges*	2.40	(17.94)	7.82
Distributions	(2.24)	(2.92)	(2.40)
Return to shareholder as result of class closure	(90.48)	-	-
Closing net asset value per share	-	90.32	111.18
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges^	2.66%	(16.14)%	7.39%
<b>Other information</b>			
Closing net asset value (£000)	-	9,905	18,289
Closing number of shares	-	10,966,789	16,450,901
Operating charges#	1.03%	0.71%	0.69%
Direct transaction costs	0.00%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	96.70	112.30	113.50
Lowest share price	90.00	89.61	105.80

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 191 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

SPW IPS Strategic Income Portfolio Fund was closed on 16th October 2023.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class X - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	87.62	107.88	102.62
Return before operating charges*	3.95	(16.69)	8.31
Operating charges	(0.79)	(0.61)	(0.60)
Return after operating charges*	3.16	(17.30)	7.71
Distributions	(2.25)	(2.96)	(2.45)
Return to shareholder as result of class closure	(88.53)	-	-
Closing net asset value per share	-	87.62	107.88
*after direct transaction cost of:	0.00	0.01	0.00
<b>Performance</b>			
Return after charges	3.61%	(16.04)%	7.51%
<b>Other information</b>			
Closing net asset value (£000)	-	646	756
Closing number of shares	-	737,523	700,627
Operating charges#	0.95%	0.61%	0.56%
Direct transaction costs	0.00%	0.01%	0.00%
<b>Prices**</b>			
Highest share price	93.81	108.90	110.10
Lowest share price	87.32	86.96	102.60

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

Share Class X Income was closed on 2nd October 2023.

**Statement of Total Return**

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23		01/11/21 to 31/10/22	
		£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		102		(2,894)
Revenue	3	339		442	
Expenses	4	(49)		(41)	
Net revenue before taxation		290		401	
Taxation	5	(20)		(5)	
Net revenue after taxation			270		396
<b>Total return before distributions</b>			<b>372</b>		<b>(2,498)</b>
Distributions	6		(288)		(398)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>84</b>		<b>(2,896)</b>

**Statement of Change in Net Assets Attributable to Shareholders**

for the year ended 31st October 2023

	01/11/22 to 31/10/23		01/11/21 to 31/10/22	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		10,551		19,045
Amounts receivable on creation of shares	267		1,562	
Less: Amounts payable on cancellation of shares	(10,902)		(7,160)	
		(10,635)		(5,598)
Dilution adjustment		-		-
Change in net assets attributable to shareholders from investment activities		84		(2,896)
<b>Closing net assets attributable to shareholders</b>		<b>-</b>		<b>10,551</b>

*Notes to the Financial Statements are on pages 198 to 205.*

## SPW IPS Strategic Income Portfolio

### Balance Sheet

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		-	10,370
<b>Current assets</b>			
Debtors	8	54	246
Cash and bank balances	9	69	51
Cash equivalents‡		-	40
<b>Total assets</b>		<b>123</b>	<b>10,707</b>
<b>Liabilities</b>			
Investment liabilities		-	(4)
<b>Creditors</b>			
Distribution payable		-	(95)
Other creditors	10	(123)	(57)
<b>Total liabilities</b>		<b>(123)</b>	<b>(156)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>10,551</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 198 to 205.

## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital gains/(losses)

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

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	117	(2,804)
Futures contracts	(17)	(137)
Forward currency contracts	1	26
ACD's periodic charge rebates taken to capital	16	30
Currency losses	(2)	-
Transaction charges	(7)	(9)
Funding to SPW	(7)	-
Compensation	1	-
Net capital gains/(losses)*	102	(2,894)

\*Includes realised losses of £2,200,000 and unrealised gains of £2,302,000 (31/10/22: realised losses of £498,000 and unrealised losses of £2,396,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	18	26
Interest distribution	250	344
Offshore distributions	71	72
Total revenue	339	442

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	15	25
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	-	2
<b>Other expenses:</b>		
Audit fee	13	14
Legal fees	20	-
Registration fees	8	13
Expense capping adjustment†	(7)	(13)
Total expenses	49	41

Expenses include irrecoverable VAT.

†Within the Q Income share class no registration fee has been deducted and this has been borne by the ACD.

The Deloitte LLP audit fee for the year, exclusive of VAT is £6,300 (31/10/22: £12,000).



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Corporation tax	19	7
Corporation tax prior year adjustment	-	(1)
Double tax relief	(1)	-
Irrecoverable overseas tax	2	-
Total current tax	20	6
Total deferred tax (note 5c)	-	(1)
Total taxation (note 5b)	20	5

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	290	401
Corporation tax of 20% (2022: 20%)	58	80
<b>Effects of:</b>		
Non taxable UK dividends*	(2)	(5)
Taxable income taken to capital	3	6
Irrecoverable overseas tax	2	-
Tax deductible interest distributions	(44)	(75)
Adjustments in respect of prior years	-	(1)
Double taxation relief	(1)	-
Expenses not deductible for tax purposes	4	-
Total tax charge for year (note 5a)	20	5

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Provision at the start of the year	-	1
Deferred tax (credit) in profit and loss account for the year (note 5a)	-	(1)
Provision at the end of the year	-	-

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**6. Distributions**

The distributions take account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprise:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
First interim	74	100
Second interim	82	96
Third interim	61	96
Final	-	95
	<hr/> 217	<hr/> 387
Add: Revenue deducted on cancellation of shares	73	13
Deduct: Revenue received on creation of shares	(2)	(2)
Net distributions for the year	<hr/> 288	<hr/> 398

Details of the distribution per share are set out in the Distribution Tables on page 206.

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	270	396
Tax charge on rebates taken to capital	3	6
Add: deficit carried forward to next year	15	-
Prior year corporation tax provision on capital rebates	-	(4)
Net distributions for the year	<hr/> 288	<hr/> 398

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	-	151
Accrued revenue	54	93
Income tax receivable	-	1
Expense capping adjustment receivable	-	1
Total debtors	<hr/> 54	<hr/> 246

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	69	26
Amounts held at futures clearing houses and brokers	-	25
Total cash and bank balances	<hr/> 69	<hr/> 51

**10. Other creditors**

	31/10/23 £000	31/10/22 £000
Amounts payable for cancellation of shares	-	22
Accrued expenses	43	28
Corporation tax payable	18	7
Funding to SPW	62	-
Total other creditors	<hr/> 123	<hr/> 57

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited. Scottish Widows Schroder Personal Wealth (ACD) Limited act as principal on all the transactions of shares in the sub-fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Scottish Widows Schroder Personal Wealth Limited in respect of share transactions at the year end are included in the Balance Sheet.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £nil (31/10/22: £29,764).

Amounts paid to the ACD in respect of ACD fees are disclosed in notes 2 and 4, with £nil (31/10/22: £878) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustments are disclosed in note 4 with £0 (31/10/22: £815) due at the year end.

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of nil shares (31/10/22: 8,025,410 shares) with a cost of £nil (31/10/22: £7,951,980) and sales of nil shares (31/10/22: 13,099,304 shares) with sales proceeds of £nil (31/10/22: £12,874,911).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of nil shares (31/10/22: 9,726,685 shares) and value of £nil (31/10/22: £7,985,096) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £nil (31/10/22: £261,350).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	31/10/23	31/10/22
	%	%
ACD and associates of the ACD	0.00	6.13

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2022: two).

The ACD's periodic charge on each share class is as follows:

	31/10/23
	%
Share Class Q - Income:	0.20
Share Class X - Income:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 194 to 195.

The distributions per share class are given in the Distribution Tables on page 206.

**Reconciliation of the shares movement in the year:**

	01/11/22 Opening shares in issue	Creations	Cancellations	31/10/23 Closing shares in issue
Share Class Q - Income	10,966,789	267,114	(11,233,903)	-
Share Class X - Income	737,523	20,016	(757,539)	-

Fund closed 16th October 2023. There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 190. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

The sub-fund's financial assets and liabilities are currently invested in multi-manager regulated collective investment schemes managed within the Schroders Asset Management Group and the Scottish Widows Schroder Wealth Holdings Limited whose prices are quoted in Sterling. As a result, the sub-fund does not have any direct exposure to foreign currency movements. However, some of the sub-fund's investments will be affected by movements in exchange rates and ultimately their Sterling values as a result of holdings in investments outside the UK by the sub-funds in which it invests. As a result, movements in exchange rates may affect the Sterling value of the portfolio investments.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £0 (31/10/22: £2,138).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

	Currency exposure 31/10/23 £000	Currency exposure 31/10/22 £000
<b>Currency</b>		
Euro	-	(4)
Japanese yen	-	3
US dollar	-	215
Total	-	214

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in regulated collective investment schemes. The cash flow from the sub-fund's investments may fluctuate depending upon the particular decisions made by each Fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of generating long term capital growth.

The sub-fund's net cash holding of £69,213 (31/10/22: holding £25,780) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £0 (31/10/22: cash £24,865), whose rates are based on SONIA or its international equivalent.

The sub-fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of efficient portfolio management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. All derivative contracts were traded on an eligible derivatives exchange.

Exposure to the various markets may be balanced through tactical asset allocation of futures contracts. Tactical asset allocation is a technique which allows the ACD to undertake a switch in the Fund's exposure by the use of derivatives rather than through the sale and purchase by the sub-fund of transferable securities.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

## 14. Risk management policies, derivatives and other financial instruments (continued)

(c) *Derivatives and other financial instruments (continued)*

(d) *Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.*

	31/10/23	31/10/22
Financial derivative instrument exposure - fair value	£000	£000
Exchange traded derivatives	-	5
Forward currency contracts	-	1
<b>Total Financial derivative instrument exposure</b>	<b>-</b>	<b>6</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

## Counterparties to financial derivative instruments and efficient portfolio management techniques

	31/10/23	31/10/22
	£000	£000
JP Morgan – Forward currency contracts	-	(2)
Morgan Stanley – Forward currency contracts	-	1
Merrill Lynch – Futures contracts	-	3
<b>Total counterparty exposure</b>	<b>-</b>	<b>2</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

Collateral	31/10/23	31/10/22
	£000	£000
Broker cash balances to (reduce)/increase counterparty exposure:		
EUR Cash - Merrill Lynch	-	(1)
GBP Cash - Merrill Lynch	-	12
JPY Cash - Merrill Lynch	-	5
USD Cash - Merrill Lynch	-	9

(e) *Liquidity risk*

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

(f) *Market price risk and fair value of financial assets and liabilities*

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £0 (31/10/22: £104,061).

**Notes to the Financial Statements****(continued)**

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(g) Leverage*

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	0.00	101.26
Commitment leverage	0.00	2.84

*(h) Credit risk*

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23	01/11/21 to 31/10/22	01/11/22 to 31/10/23	01/11/21 to 31/10/22
	£000	£000	£000	£000
Collective Investment Schemes	3,309	9,519	13,831	15,325
<b>Total net trades in the year</b>	<b>3,309</b>	<b>9,519</b>	<b>13,831</b>	<b>15,325</b>

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.00%).

**16. Fair value**

	31/10/23		31/10/22	
Valuation technique	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	114	(2)
Level 2	-	-	10,296	(2)
Level 3	-	-	-	-
Total fair value	-	-	10,410	(4)

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

### 16. Fair value (continued)

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

# SPW IPS Strategic Income Portfolio

## Distribution Tables

for the year ended 31st October 2023

### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2022  
 Second interim Shares purchased prior to 1st February 2023  
 Third interim Shares purchased prior to 1st May 2023  
 Final Shares purchased prior to 1st August 2023

Group 2 First interim Shares purchased on or between 1st November 2022 and 31st January 2023  
 Second interim Shares purchased on or between 1st February 2023 and 30th April 2023  
 Third interim Shares purchased on or between 1st May 2023 and 31st July 2023  
 Final Shares purchased on or between 1st August 2023 and 31st October 2023

### Share Class Q - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.7228	-	0.7228	0.6329
Second Interim	0.8542	-	0.8542	0.6995
Third Interim	0.6666	-	0.6666	0.7731
Final	-	-	-	0.8152
Group 2	(p)	(p)	(p)	(p)
First Interim	0.5065	0.2163	0.7228	0.6329
Second Interim	0.0572	0.7970	0.8542	0.6995
Third Interim	0.1229	0.5437	0.6666	0.7731
Final	-	-	-	0.8152

### Share Class X - Income

	Net revenue	Equalisation	Distributions paid/payable to 29/12/2023	Distributions paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
First Interim	0.7281	-	0.7281	0.6444
Second Interim	0.8515	-	0.8515	0.7071
Third Interim	0.6721	-	0.6721	0.7803
Final	-	-	-	0.8244
Group 2	(p)	(p)	(p)	(p)
First Interim	0.3905	0.3376	0.7281	0.6444
Second Interim	0.8515	-	0.8515	0.7071
Third Interim	0.6721	-	0.6721	0.7803
Final	-	-	-	0.8244



## Investment Markets Overview

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for the year ended 31st October 2023

The SPW Strategic Solution Fund closed on 27th October 2023. Termination accounts will be issued within four months of completion date.

### Investment Objective

The Fund aimed to provide capital growth and income in excess of the benchmark\* (after the deduction of fees) over five to seven years by investing in a diversified range of assets and markets worldwide.

\*The Fund's benchmark was a composite of 28.4% MSCI North America (Net Total Return) index, 6.2% MSCI Europe ex UK (Net Total Return) index, 3.2% MSCI Japan (Net Total Return) index, 3.6% MSCI AC Asia Pacific ex Japan (Net Total Return) index, 3.6% MSCI Emerging Markets (Net Total Return) index, 20% MSCI UK IMI (Gross Total Return) index, 3% Bloomberg Global Treasury Value GBP Hedged index, 13% Bloomberg Global Aggregate Corporate Value GBP Hedged index, 1.5% Bloomberg Global High Yield Corporate Value GBP Hedged index, 1.5% Bloomberg Emerging Market Debt Value GBP Hedged index, 5% MSCI World IMI Core Real Estate (Net Total Return) index, 4% SONIA plus 2%, 4% SONIA and 3% Bloomberg Commodity Total Return index.

### Investment Policy

The Fund was actively managed and invested its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds (collective investment schemes and other funds) in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

The Fund sought to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions.

The Fund invested within the following ranges:

Equity and equity related securities: 30% – 80%

Fixed and floating rate securities: 0% – 40%

Alternative assets: 0% – 30%

The Fund may have invested up to 20% of its assets in below investment grade bonds (as measured by a regulated credit rating agency) or in unrated bonds.

The Fund may have also invested directly in equity and equity related securities and fixed and floating rate securities.

The Fund may have invested in collective investment schemes and other funds managed by the ACD, the Investment Adviser or their associates.

Where the Fund invested in collective investment schemes managed by the ACD these schemes may integrate environmental, social and governance (ESG) factors into the selection of their investments.

Where the Fund invested in collective investment schemes and other funds not managed by the ACD, the Investment Adviser may assess both the investment manager's business operations and the fund's investment selection framework in terms of the integration of ESG factors. However, individual securities held in each of these collective investment schemes and other funds' portfolios may not necessarily have positive ESG characteristics.

The Fund have not invested in a collective investment scheme or other fund managed by the Investment Adviser or by another investment manager which invests more than 50% of its assets directly or indirectly (via derivatives) in fossil fuel-based energy companies.

The Fund may have also invested directly or indirectly in money market instruments, and may hold cash.

The Fund may have used derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management'). The Fund have not taken long positions in single sector equity or bond index derivatives which provide more than 50% exposure (based on the underlying index value) to fossil fuel-based energy securities.

Following approval at Shareholder meetings held on 17 October 2023, the following funds were merged via a Scheme of Arrangement: SPW Strategic Solution into SPW Dynamic Solution. The mergers was completed on 27 October 2023.

### Further Information

The ACD reviewed the components of the composite benchmark at least once a year to ensure the weightings remain aligned with the broader asset allocation policies of the Fund. Shareholders were notified of any changes to the percentage weightings of the composite benchmark. The current portfolio composite benchmark weightings are set out in the Key Investor Information Document which can be found on our website: <https://www.spw.com/fund-info>

## Investment Markets Overview

(continued)

for the year ended 31st October 2023

## Investment Policy

## Synthetic Risk and Reward Indicator

There are several different ways of measuring risk. The table below uses an industry standard measure of Fund risk based on measuring a Fund's volatility using its returns over the past five years. Volatility is generated by both rising and falling prices. Volatility doesn't tell you how much a Fund has lost or gained; it indicates how volatile its returns were historically. The Fund's ranking may change over time and may not be a reliable indication of its future risk profile.

The Fund is ranked at 5* because it has experienced medium to high levels of volatility over the past 5 years.  *As disclosed in the key investor information document dated 8th February 2023.	Typically lower rewards, lower risks <div> <span>←</span> <span>→</span> </div>						
	1	2	3	4	5	6	7

## Investment Review

Performance	01/11/22 to 27/10/23 %	01/11/21 to 31/10/22 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	16/09/19 to 31/10/19 %
SPW Strategic Solution A Accumulation	n/a	n/a	23.64	(9.96)	n/a
SPW Strategic Solution G Accumulation	2.44	(6.81)	n/a	n/a	n/a

Source: Lipper. Basis: Net revenue reinvested and net of expenses.

On 16th September 2019 Strategic Solution was launched with Share Class A Accumulation.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

Stock markets rounded off a tumultuous year with gains in the final quarter of 2022. Asian shares were boosted by China's relaxation of its zero-Covid policy, while European equities also advanced strongly. This broadly positive performance continued in the first half of 2023, buoyed in the early months of the year by receding recession worries in developed markets. Gains came despite the collapse of Silicon Valley Bank, which caused significant volatility in bank shares.

Enthusiasm over AI (Artificial Intelligence) boosted technology stocks in the second quarter of the year. Developed markets gained in the quarter, while emerging markets lagged. Chinese equities were sharply lower as the economic rebound, following the country's reopening after the Covid-19 crisis, started to cool. Global equities turned broadly negative at the end of the period amid investor concerns over the negative effects of interest rate rises on economic growth. Geopolitical concerns also weakened investor sentiment amid renewed conflict in the Middle East.

In fixed income, yields rose across all major government bond markets over the 12-month period as investors discounted a succession of interest rate hikes from the major central banks to tackle above target inflation. Turbulence in the banking sector triggered an abrupt fall in bond yields during March, but yields resumed their upward trend over the spring and summer months.

As the period ended, policy guidance from the US Federal Reserve that interest rates are set to stay higher for longer led investors to scale back expectations for rate cuts in 2024 and sent the 10-year US Treasury yield to its highest level since 2007 in late October. Over the 12-month period, the 10-year US Treasury yield rose from 4.15% to 4.87%.

Within property, assets have repriced significantly because of the new higher interest rate regime. Occupational markets continue to show resilience and while demand has softened, tight supply conditions and the scarcity of high-quality sustainability-compliant space is likely to fuel renewed growth into the medium-term.

Schroder Investment Management Limited  
November 2023

Portfolio Statement

as at 31st October 2023

	Holdings	Market Value £000	Total Net Assets %
FINANCIALS (0.00%, 31/10/22 98.99%)			

DERIVATIVES (0.00%, 31/10/22 -0.19%)

The SPW Strategic Solution Fund commenced termination on 27th October 2023. As all distributions had been made to the shareholders an existence on 27th December 2023, and as all holdings had been sold by way of a scheme of arrangement, there is no portfolio statement as at 31st October 2023.

## Material Portfolio Changes

for the year ended 31st October 2023

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	8,686	SPW Multi-Manager North American Equity Fund X Acct†	20,986
SPW Multi-Manager North American Equity Fund X Acct†	3,355	Schroder Sterling Liquidity Fund X Inc†‡	13,010
iShares Core EUR Corp Bond#	2,977	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund X Acct†	12,060
Schroders Personal Wealth Multi-Manager UK Equity Focus Fund X Acct†	1,874	Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund X Acct†	9,138
iShares North America Index Fund S Acc GBP	1,585	Schroders Personal Wealth Multi-Manager Asia ex Japan & Global Emerging Markets Equity X GBP Acct†	6,381
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	1,519	Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct†	5,518
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund X Acct†	1,206	SPW Multi-Manager Global Real Estate Securities Fund X Acct†	3,473
Schroders Personal Wealth Multi-Manager Asia ex Japan & Global Emerging Markets Equity X GBP Acct†	1,126	iShares North America Index Fund S Acc GBP	3,037
iShares J.P. Morgan USD Bond#	1,064	iShares Core EUR Corp Bond#	2,909
iShares USD High Yield Corp Bond#	1,034	Vanguard Global Corporate Bond Index Fund GBP (Hedged)	2,828

The above table complements the data provided in the investment managers report by outlining the top 10 Portfolio components.

†This investment is a related party (see note 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

**Comparative Table**

as at 31st October 2023

	31/10/22 (p)	31/10/21 (p)
<b>Share Class A - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	211.32	170.92
Return before operating charges*	(1.57)	43.28
Operating charges	(2.75)	(2.88)
Return after operating charges*	(4.32)	40.40
Distributions	-	(0.83)
Retained distributions on accumulation shares	-	0.83
Return to shareholder as result of class closure	(207.00)	-
Closing net asset value per share	-	211.32
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges	(2.04)%	23.64%
<b>Other information</b>		
Closing net asset value (£000)	-	34,868
Closing number of shares	-	16,500,332
Operating charges#	1.30%	1.45%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	217.10	212.80
Lowest share price	201.40	170.60

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 9th May 2022 all shareholdings in A Accumulation were converted to G Accumulation shares.

**Comparative Table****(continued)**

as at 31st October 2023

	<b>31/10/23</b> <b>(p)</b>	<b>31/10/22</b> <b>(p)</b>	<b>31/10/21</b> <b>(p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	162.69	173.23	140.11
Return before operating charges*	6.20	(8.15)	35.48
Operating charges	(2.39)	(2.39)	(2.36)
Return after operating charges*	3.81	(10.54)	33.12
Distributions	(2.26)	(1.50)	(0.68)
Retained distributions on accumulation shares	2.26	1.50	0.68
Return to shareholder as result of class closure	(166.50)	-	-
Closing net asset value per share	-	162.69	173.23
*after direct transaction cost of:	0.00	0.01	0.01
<b>Performance</b>			
Return after charges^	2.34%	(6.08)%	23.64%
<b>Other information</b>			
Closing net asset value (£000)	-	70,013	43,492
Closing number of shares	-	43,033,748	25,107,006
Operating charges#	1.42%	1.42%	1.45%
Direct transaction costs	0.00%	0.00%	0.01%
<b>Prices**</b>			
Highest share price	175.30	178.00	174.40
Lowest share price	162.70	159.00	139.80

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 208 which is sourced from Lipper and based on daily published prices.

\*\*The highest and lowest share prices are based on issued price. The opening and closing net asset values per share include accounting adjustments, therefore they may appear higher or lower as a result.

On 27th October 2023 SPW Strategic Solution merged into SPW Dynamic Solution.

## Statement of Total Return

for the year ended 31st October 2023

	Notes	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Income			
Net capital gains/(losses)	2	377	(5,273)
Revenue	3	1,678	1,365
Expenses	4	(729)	(716)
Net revenue before taxation		949	649
Taxation	5	(18)	(1)
Net revenue after taxation		931	648
<b>Total return before distributions</b>		<b>1,308</b>	<b>(4,625)</b>
Distributions	6	(931)	(648)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>377</b>	<b>(5,273)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2023

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Opening net assets attributable to shareholders</b>	70,013	78,360
Inspecie transfer*	(66,171)	-
Amounts receivable on creation of shares	446	955
Less: Amounts payable on cancellation of shares	(5,569)	(4,682)
	(5,123)	(3,727)
Dilution adjustment	-	9
Change in net assets attributable to shareholders from investment activities	377	(5,273)
Retained distributions on accumulation shares	904	644
<b>Closing net assets attributable to shareholders</b>	<b>-</b>	<b>70,013</b>

\*Restructuring transfer to SPW Dynamic Solution.

Notes to the Financial Statements are on pages 215 to 221.

**Balance Sheet**

as at 31st October 2023

	Notes	31/10/23 £000	31/10/22 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		-	64,994
<b>Current assets</b>			
Debtors	8	-	1,219
Cash and bank balances	9	100	460
Cash equivalents‡		-	4,323
<b>Total assets</b>		<b>100</b>	<b>70,996</b>
<b>Liabilities</b>			
Investment liabilities		-	(141)
<b>Creditors</b>			
Other creditors	10	(100)	(842)
<b>Total liabilities</b>		<b>(100)</b>	<b>(983)</b>
<b>Net assets attributable to shareholders</b>		<b>-</b>	<b>70,013</b>

‡Cash equivalents have been disclosed separately from the portfolio of investments for the current year and comparative period to comply with the Alternative Investment Fund Managers Directive (UK AIFMD) requirements.

Notes to the Financial Statements are on pages 215 to 221.



## Notes to the Financial Statements

for the year ended 31st October 2023

### 1. Accounting basis and distribution policies

The financial statements have been prepared in accordance with the accounting policies, judgements and estimates set out on pages 11 to 13.

### 2. Net capital gains/(losses)

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

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Non-derivative securities	475	(4,850)
Futures contracts	(49)	(703)
Forward currency contracts	(18)	224
ACD's periodic charge rebates taken to capital	20	57
Fund of funds rebates taken to capital	-	1
Currency (losses)/gains	(39)	6
Transaction charges	(11)	(8)
Compensation	(1)	-
Net capital gains/(losses)*	377	(5,273)

\*Includes realised losses of £3,382,000 and unrealised gains of £3,759,000 (31/10/22: realised gains of £1,348,000 and unrealised losses of £6,621,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	855	889
Interest distribution	423	351
Offshore distributions	392	123
Futures income	8	2
Total revenue	1,678	1,365

### 4. Expenses

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	699	709
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	5	8
Safe custody fees	1	1
	6	9
<b>Other expenses:</b>		
Audit fee	13	14
Legal fees	27	-
Expense capping adjustment‡	(16)	(16)
	24	(2)
Total expenses	729	716

Expenses include irrecoverable VAT.

‡Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The Deloitte LLP audit fee for the year, exclusive of VAT is £6,300 (31/10/22: £10,500).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**5. Taxation****(a) Analysis of charge in year:**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Irrecoverable overseas tax	18	1

**(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2022: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2022: 20%). The differences are explained below:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue before taxation	949	649
Corporation tax of 20% (2022: 20%)	190	130
<b>Effects of:</b>		
Non taxable UK dividends*	(151)	(172)
Overseas non-taxable revenue*	(5)	(4)
Taxable income taken to capital	4	11
Irrecoverable overseas tax	18	1
Movement in excess management expenses	(38)	35
Total tax charge for year (note 5a)	18	1

\*As an authorised OEIC these items are not subject to corporation tax.

OEICs are exempt from tax on capital gains in the UK. Therefore, any capital return is not included within the reconciliation above.

**(c) Deferred taxation:**

There is no provision required for deferred taxation at the Balance Sheet date in the current or prior year.

**(d) Factors that may affect future tax charges:**

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £13,610 (31/10/22: £51,929) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

The distribution takes account of revenue received on the creation of shares and revenue deducted on the cancellation of shares, and comprises:

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Special/Final	904	644
Add: Revenue deducted on cancellation of shares	27	52
Deduct: Revenue received on creation of shares	-	(48)
Net distributions for the year	931	648

Details of the distribution per share are set out in the Distribution Tables on page 222.

**7. Movement between net revenue and net distributions**

	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Net revenue after taxation	931	648
Net distributions for the year	931	648

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**8. Debtors**

	31/10/23 £000	31/10/22 £000
Sales awaiting settlement	-	1,133
Amounts receivable for issue of shares	-	8
Accrued revenue	-	8
Fund of funds rebates receivable	-	1
Corporation tax recoverable	-	57
Income tax receivable	3	4
Expense capping adjustment receivable	(3)	7
Debtors from conversion	-	1
Total debtors	-	1,219

**9. Cash and bank balances**

	31/10/23 £000	31/10/22 £000
Cash and bank balances	100	77
Amounts held at futures clearing houses and brokers	-	383
Total cash and bank balances	100	460

**10. Other creditors**

	31/10/23 £000	31/10/22 £000
Purchases awaiting settlement	-	538
Amounts payable for cancellation of shares	11	229
Accrued expenses	76	75
Pending transfers*	13	-
Total other creditors	100	842

\*Accrued revenue pending transfers to SPW Dynamic Solution.

**11. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited.

SPW consider Lloyds Banking Group PLC and all subsidiaries, as well as, Schroders PLC and all subsidiaries, to be Related parties.

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £20,446 (31/10/22: £56,545).

Amounts paid to/from ScottishWidows Schroder PersonalWealth Limited in respect of ACD and registration fees are disclosed in note 2 and 4, with £51,242 (31/10/22: £50,752) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 16,053,174 shares (31/10/22: 18,584,405 shares) with a cost of £17,598,602 (31/10/22: £19,483,322) and sales of 66,708,325 shares (31/10/22: 29,731,714 shares) with sales proceeds of £78,128,920 (31/10/22: £33,142,175).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of nil shares (31/10/22: 50,655,151 shares) and value of £nil (31/10/22: £58,722,609) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £1,216,659 (31/10/22: £900,862).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**11. Related party transactions (continued)***Shares held by associates of the ACD*

There were no shares held by the ACD and associates of the ACD in the sub-fund at the current and prior year.

**12. Share classes**

The sub-fund has one share class in issue (31/10/2022: one).

The ACD's periodic charge on each share class is as follows:

	31/10/23
	%
Share Class G - Accumulation:	1.15
The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 211 to 212.	
The distributions per share class are given in the Distribution Tables on page 222.	

**Reconciliation of the shares movement in the year:**

	01/11/22			31/10/23
	Opening shares			Closing shares
	in issue	Creations	Cancellations	in issue
Share Class G - Accumulation	43,033,748	265,433	(43,299,181)	-

There are no conversions in the year to report.

On 27th October 2023 SPW Strategic Solution merged into SPW Dynamic Solution.

**13. Capital commitments and contingent liabilities**

On 31st October 2023, the sub-fund had no capital commitments (31/10/22: £nil) and no contingent liabilities (31/10/22: £nil).

**14. Risk management policies, derivatives and other financial instruments**

A statement of the sub-fund's objective and the policy for achieving it has been included on page 207. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

A portion of the Fund's financial assets and liabilities are invested overseas. As a result, movements in exchange rates may affect the Sterling value of the portfolio, cash and investment purchases and sales.

The sub-fund hedges the initial investment but not the subsequent gains/losses on the settling value of investments that are denominated in foreign currencies.

As at 31st October 2023, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the sub-fund would have been a decrease or increase of approximately £0 (31/10/22: £38,593).

As at 31st October 2023 the sub-fund had the following net currency exposure (excluding Sterling):

	Currency exposure	Currency exposure
	31/10/23	31/10/22
	£000	£000
Currency		
Australian dollar	-	64
Euro	-	1,342
US dollar	-	2,453
Total	-	3,859

*(b) Interest rate risk profile of financial assets and liabilities*

The sub-fund receives revenue from holdings in collective investment schemes. The cashflow from the sub-fund's underlying investments may fluctuate depending upon the particular decisions made by each sub-fund. The sub-fund's underlying assets may be varied from time to time by the Investment Adviser with the objective of providing long term capital growth.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2023

**14. Risk management policies, derivatives and other financial instruments (continued)***(b) Interest rate risk profile of financial assets and liabilities (continued)*

The sub-fund's net cash holding of £66,259,700 (31/10/22: holding £77,047) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund's holds net cash at futures brokers of £0 (31/10/22: cash £382,584), whose rates are based on SONIA or its international equivalent.

The interest rate exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

*(c) Derivatives and other financial instruments*

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of efficient portfolio management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

The sub-fund manager may vary the exposure to the various markets within the benchmark asset mix to take advantage of short term strategic asset allocation positions. Tactical Asset Allocation ("TAA") allows the sub-fund manager to take short term positions away from the benchmark asset mix, but within set parameters, in the anticipation of adding value to the sub-fund. Derivatives are often used to achieve the optimum TAA positions due to speed of dealing and cost efficiency.

Due to the use of derivatives, the percentage movements in the value of the sub-fund will be different from the percentage movements in the markets. At the year end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

	31/10/23 £000	31/10/22 £000
<b>Financial derivative instrument exposure - fair value</b>		
Exchange traded derivatives	-	11
Forward currency contracts	-	2
<b>Total Financial derivative instrument exposure</b>	<b>-</b>	<b>13</b>

The financial derivative instruments exposure represents the value of what is "economically commanded" by the instrument and is calculated as the sum of the notional value of the instrument, i.e. the number of contracts multiplied by the relevant index or spot price.

**Counterparties to financial derivative instruments and efficient portfolio management techniques**

	31/10/23 £000	31/10/22 £000
Bank of America – Forward currency contracts	-	(5)
BNP Paribas – Forward currency contracts	-	(5)
Canadian Imperial Bank – Forward currency contracts	-	(4)
CitiBank – Forward currency contracts	-	(9)
HSBC Bank – Forward currency contracts	-	(1)
JP Morgan – Forward currency contracts	-	(7)
Morgan Stanley – Forward currency contracts	-	(9)
Royal Bank of Canada – Forward currency contracts	-	(2)
Merrill Lynch – Futures contracts	-	(86)
<b>Total counterparty exposure</b>	<b>-</b>	<b>128</b>

The counterparty exposure represents the amount that the Fund could lose (or gain) if the counterparty defaulted. This is calculated as the unrealised profit (or loss) on the trade. It is therefore a different amount to the value of the sum of the notionals.

<b>Collateral</b>	31/10/23 £000	31/10/22 £000
Broker cash balances to (reduce)/increase counterparty exposure:		
EUR Cash - Merrill Lynch	-	(13)
GBP Cash - Merrill Lynch	-	339
USD Cash - Merrill Lynch	-	57

for the year ended 31st October 2023

#### 14. Risk management policies, derivatives and other financial instruments (continued)

##### (d) Liquidity risk

All of the sub-fund's financial assets are considered to be readily realisable, comprising predominantly of collective investment schemes. In general, the Investment Adviser manages the sub-fund's cash to ensure it can meet its liabilities. Where investments cannot be realised in time to meet any potential liability, the sub-fund may borrow up to 10% of its value to ensure settlement.

As set out in the Prospectus, the ACD may, with the prior agreement of the Depositary, temporarily suspend the issue, cancellation, sale and redemption of shares in the sub-fund or a class within the sub-fund where due to exceptional circumstances it is in the interests of all the shareholders. This may be used for circumstances affecting material uncertainty on asset valuations and protection of the sub-fund's liquidity.

All of the sub-fund's financial liabilities are payable on demand or in less than one year.

We do not consider these liquidity risks to be significant and therefore no numerical analysis is being presented.

##### (e) Market price risk and fair value of financial assets and liabilities

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2023, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £0 (31/10/22: £691,756).

##### (f) Leverage

Leverage is any method by which the ACD increases the exposure of a sub-fund whether through borrowing of cash or securities, or leverage embedded in derivative positions or by any other means.

The maximum level of leverage which the ACD is entitled to employ on behalf of the sub-fund is set out in the Prospectus.

Where the investment policy of a sub-fund permits the use of derivatives and/or forward transactions for investment purposes, the sub-fund may be leveraged to the extent that this may potentially increase the volatility and risk of the sub-fund. In addition, when undertaking derivative and forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

The table below sets out the total amount of leverage employed by the sub-fund as at 31st October, calculated in accordance with the gross method and the commitment method (as defined in the Alternative Investment Fund Managers Directive). This method uses Net Present Value to calculate the exposure of cash and non-derivative holdings and is therefore different to the exposure calculation if the Net Asset Value of the sub-fund had been used.

	31/10/23	31/10/22
	%	%
Gross leverage	0.00	101.86
Commitment leverage	0.00	5.32

##### (g) Credit risk

The sub-fund enters into transactions in financial instruments which expose it to the risk that the counterparty will not deliver the investment (purchase) or cash (sale) after the sub-fund has fulfilled its obligations. The sub-fund only buys and sells financial instruments through parties that have been approved by the ACD as acceptable. These are reviewed on an ongoing basis.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2023

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000	01/11/22 to 31/10/23 £000	01/11/21 to 31/10/22 £000
Collective Investment Schemes	29,417	25,459	100,551	38,038
<b>Total net trades in the year</b>	<b>29,417</b>	<b>25,459</b>	<b>100,551</b>	<b>38,038</b>

**Total transaction cost expressed as a percentage of average net asset value**

	01/11/22 to 31/10/23 %	01/11/21 to 31/10/22 %
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/22: 0.01%).

**16. Fair value**

Valuation technique	31/10/23		31/10/22	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	-	-	1,374	(97)
Level 2	-	-	67,943	(44)
Level 3	-	-	-	-
<b>Total fair value</b>	<b>-</b>	<b>-</b>	<b>69,317</b>	<b>(141)</b>

Level 1 - Quoted prices for identical instruments in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, pricing service etc. These include active listed equities, exchange traded derivatives etc.

Level 2 - Valuation techniques with inputs other than quoted prices within level 1 that are observable. This category includes instruments valued using quoted market prices in active markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data. This category will typically include debt securities and collective investment schemes.

Level 3 - Prices using valuation techniques where inputs are unobservable. This category may include single or broker priced securities and suspended or unlisted securities.

## Distribution Tables

for the year ended 31st October 2023

### Distribution in pence per share

Group 1 Special/Final Shares purchased prior to 1st November 2022

Group 2 Special/Final Shares purchased on or between 1st November 2022 and 27th October 2023

### Share Class G - Accumulation

	Net revenue	Equalisation	Distribution paid/payable to 27/12/2023	Distribution paid to 30/12/2022
Group 1	(p)	(p)	(p)	(p)
Special/Final	2.2611	-	2.2611	1.4966
Group 2	(p)	(p)	(p)	(p)
Special/Final	1.7776	0.4835	2.2611	1.4966

### Corporate shareholder information (unaudited) for all share classes

A shareholder liable to corporation tax receives this distribution, excluding equalisation, as follows:

Final - 100.00% of the dividend is received as non-taxable income.

Final - 0.00% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.00% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.



## General Information

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### About OEICs

The SPW Investment Portfolio ICVC (the “Company”) is an umbrella Open Ended Investment Company (“OEIC”). An OEIC is a collective investment vehicle with variable capital in which your sub-funds are pooled with a portfolio of investments in accordance with its Prospectus and the Collective Investment Schemes Sourcebook (COLL Sourcebook).

Scottish Widows Schroder Personal Wealth is committed to being a responsible investor on behalf of our customers, with particular focus on Stewardship, Ethical investment and Environmental, Social and Governance (ESG) issues. Our commitment to responsible investment is explained in more detail through this link: [www.spw.com/responsible-investment-fund-info](http://www.spw.com/responsible-investment-fund-info)

It should be remembered that the value of your shares will be affected by fluctuations in the relevant markets and foreign currency exchange rates (where applicable) and may, therefore, go down as well as up. You should view your investment over the medium to long term.

Please contact us on 0344 822 8910 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as non-UCITS retail schemes which complies with Chapter 5 of the COLL Sourcebook.

The base currency of the Company is Sterling, but a class of shares in respect of any sub-fund may be designated in any currency other than Sterling.

### Value Assessment

SPW’s Value Assessment is available for review on SPW’s website -

[https://assets.ctfassets.net/l7z7tzydh3um/3N1bXHsnHbAfdRD8zWrkWA/24d4bf3f71f1c2f4d9fae6c8461f2c97/SPW\\_2023\\_AoV\\_Report.pdf](https://assets.ctfassets.net/l7z7tzydh3um/3N1bXHsnHbAfdRD8zWrkWA/24d4bf3f71f1c2f4d9fae6c8461f2c97/SPW_2023_AoV_Report.pdf)

### Shares

The Company currently offers five share classes; Class A, Class G, Class P, Class Q and Class X. Each share class has a different ACD fee.

### Prices and Dealing Times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0344 822 8910.

Shares may be bought or sold between 9:00am and 5:30pm on Mondays to Fridays inclusive, excluding Bank holidays.

### Liability

Shareholders are not liable for the debts of the Company.

### Prospectus

The Prospectus, which is available from the ACD free of charge, outlines how the Company is managed and gives details of the types of assets in which each sub-fund may invest. The Prospectus and (where applicable) the Instrument of Incorporation have been amended during the period to 31 October 2023 (as noted on pages 2 and 3). Full terms and conditions are available from the ACD.

### Personal Taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisers if they are in any doubt about their position.

### Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact the ACD. Please supply details of your holding (including surname, initials and account number).

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