

# SPW Investment Fund Company

Annual Long Report for the year  
ended 30th November 2022

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# SPW Investment Fund Company

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## The Company and Head Office

SPW Investment Fund Company  
1 London Wall  
London  
EC2Y 5EB

Incorporated in Great Britain under registered number IC028035. Authorised and regulated by the Financial Conduct Authority.

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

Scottish Widows Schroder Personal Wealth (ACD) Limited

*Registered Office:*

25 Gresham Street  
London  
EC2V 7NQ

*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

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:*

20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

Authorised and regulated by the Financial Conduct Authority.

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## Registrar\*

Link Fund Administrators Limited

65 Gresham Street  
London  
EC2V 7NQ

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## 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.

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\*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 Fund Company (the "Company") covering the year ended 30th November 2022 (the "Report"). The Authorised Corporate Director (the "ACD") 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 the United Kingdom under registration number IC028035 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 22nd May 2020.

Shareholders are not liable for the debts of the Company.

The Company is a UCITS scheme which complies with Chapter 5 of the Financial Conduct Authority Collective Investment Schemes Sourcebook (the "COLL Sourcebook").

The Company is structured as an umbrella fund, in that the scheme property of the Company is currently divided among 6 sub-funds, 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 UCITS 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 6 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.

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

From 30 November 2022, the sub-Funds of the Company adopted a responsible investment approach. Responsible investing considers environmental, social and governance factors (known as "ESG" factors) when making investment decisions.

The sub-Funds' primarily invest in a diversified range of funds, managed by Schroder Investment Management (SIM), which themselves invest in a mix of global equities, global bonds and alternative investments.

A range of ESG factors have been integrated into the investment process when selecting collective investment schemes and other funds for investment. Where the sub-Funds invest in collective investment schemes and other funds managed by SIM, funds are selected, where possible, that maintain a higher overall sustainability score\* than that of their respective benchmarks. Individual securities held in these funds' portfolios may not, however, necessarily have positive environmental, social or governance characteristics.

At an aggregated level, each sub-Fund targets a better sustainability score than that of its benchmark, which is set out in each sub-Fund's investment policy.

The sub-Funds also seek to exclude derivatives, collective investment schemes and other funds that invest more than 50% of their assets in fossil fuel-based energy securities.

For more detail on how the responsible investment approach adopted by each of the sub-Funds, please refer to the SPW Investment Fund Company Prospectus.

\*a sustainability score is a measure of how well a fund's underlying investments are managing their ESG risks and opportunities.

From 1 December 2022 the status of the SPW Cautious Portfolio Fund changed from being an Equity Fund to a Bond Fund for UK tax purposes.

A copy of the Prospectus is available on request.

### Coronavirus

While the impact of the Covid-19 pandemic has lessened in the year, the ACD continues to monitor the risks to its operations and supply chains together with any ongoing volatility it may drive in financial markets.

### Russian sanctions

The ACD is monitoring the evolving 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 the ICVC has indirect exposure to Russian investments via the funds in which it invests, there is no effect on the valuation of the portfolio as at the year-end.

### Sub-fund cross-holdings

As at 30th November 2022 there were no shares in sub-funds of the SPW Investment Fund Company held by other sub-funds of the Company.

### Remuneration disclosures

Aggregate remuneration paid for the year ended 31st December 2021 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	£2,762,245	£553,011	£599,076	£0	£3,914,332
Variable remuneration	£1,347,582	£201,887	£120,000	£0	£1,669,469
Carried interest	£0	£0	£0	£0	£0
TOTAL	£4,109,827	£754,898	£719,076	£0	£5,583,801
Number of Identified Staff <sup>1</sup>	12	3	5	0	20

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.

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 2021 were Adam Seale (chairman), Dena Brumpton, Peter Hall and Stuart Sinclair. Stuart Sinclair retired on 12 May 2022 and Joanne Harris was appointed on 07 October 2022.

**Remuneration disclosures (continued)****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 base salaries, benefits and variable reward. 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.

The mix of variable and fixed remuneration is driven by seniority and role. The performance-related elements of pay make up a considerable proportion of the total remuneration package for all colleagues including MRTs.

**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 Financial Performance, Business Balanced Scorecard performance; and any discretionary adjustments to reflect risk matters and/or 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. Guaranteed variable remuneration is paid only in exceptional circumstances.

**Long Term Incentive Plan**

SPW's long-term incentive plan for executives is dependent on the extent to which several measures from the business plan are achieved, including a mixture of strategic, financial and conduct metrics. The first year of the performance period was more highly weighted to the delivery of strategic or 'input' measures to reflect the need to transform our business. The second and third years of the performance period have a higher weighting towards financial performance or 'output'. Risk and conduct performance are considered throughout the three-year performance period.

**Deferral, vesting and performance adjustment**

SPW applies deferral arrangements to bonus and variable pay awards made to colleagues. Bonus awards for Identified Staff are subject to deferral and a holding period in line with regulatory requirements and market practice. Awards for Identified Staff 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 30th November 2022

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (the "COLL Sourcebook") requires the Authorised Corporate Director ("ACD") of SPW Investment Fund Company 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 and the net capital gains/(losses) for the period.

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 requirements of the COLL Sourcebook as issued and amended by the Financial Conduct Authority, I hereby certify the Report on behalf of Scottish Widows Schroder Personal Wealth (ACD) Limited, the Authorised Corporate Director.



**Joel Ripley**  
**Director**  
**Scottish Widows Schroder Personal Wealth (ACD) Limited**  
**14 March 2023**

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

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for the year ended 30th November 2022

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;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out;
- the value of shares of the Company are calculated;
- 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 Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Depositary also has a duty to take reasonable care to ensure that Company is managed in accordance with the Regulations and Scheme documents 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, 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**



# Independent Auditors' Report to the Shareholders of

## SPW Investment Fund Company

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for the year ended 30th November 2022

### Report on the audit of the financial statements

#### Opinion

In our opinion, the financial statements of SPW Investment Fund Company (the "company"):

- give a true and fair view of the financial position of the company and its sub-funds as at 30 November 2022 and of the net revenue and the net capital gains/(losses) on the property of the company and its sub-funds for the year ended 30 November 2022; 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 summary of significant accounting policies, judgements and estimates applicable to all sub-funds and individual 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 Auditors' Report to the Shareholders of

## SPW Investment Fund Company

(continued)

for the year ended 30th November 2022

### 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 legislation; 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 Open-Ended Investment Companies Regulations 2001.

We discussed among the audit engagement team including relevant internal specialists such as valuations and IT specialists 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 and reviewing correspondence with HMRC and the FCA.

# Independent Auditors' Report to the Shareholders of

## SPW Investment Fund Company

(continued)

for the year ended 30th November 2022

### 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-funds 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 30 November 2022 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**  
**14 March 2023**

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

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for the year ended 30th November 2022

### 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.

#### (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 two share classes; Class Q and Class X. Each share class incurs 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 sub-fund recognises such management rebates as capital on an accruals basis. Otherwise the rebate is recognised as revenue on an accruals basis or 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.

All the sub-funds have a periodic fixed charge- the "All-in Charge" applied. The All-in Charge covers the ACD's periodic charge, depositary's fees, operation and administration fees, professional fees and sub advisers' fees. Details of the All-in Charge are as set out in the Prospectus.

#### (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.

#### (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 valued at market value on 30th November 2022 at (GMT) 12:00pm. 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 fair value.

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

(continued)

for the year ended 30th November 2022

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

#### (f) Valuation of investments (continued)

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 1(j).

Open swap contracts are shown in the Portfolio Statement and are valued at their fair value as at balance sheet date. The fair value is the price that would be required to close out the contract at the balance sheet date, eliminating any further exposure to market movements or market risk. The returns are either reflected in "Swap 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 note 1(j).

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. Investments in other collective investment schemes have been valued at bid price for dual priced funds and at the single price for single priced fund.

#### (g) 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.

#### (h) 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.

#### (i) 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

#### (j) 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.

#### (k) Stock lending

Any income arising from stock lending is treated as revenue on an accruals basis and is disclosed in the notes to the Financial Statements net of directly attributable fees. The value of the collateral must always exceed the value of the stock on loan. The accepted collateral includes cash, equities, certain types of bonds and money market instruments as agreed with the Depositary.

### 2. Significant accounting judgements and estimates

The sub-funds make judgements and estimates when applying 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.

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

(continued)

for the year ended 30th November 2022

### **2. Significant accounting judgements and estimates (continued)**

#### **(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

for the year ended 30th November 2022

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 74% MSCI ACWI (Net Total Return) index, 15% 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.

Investment Policy

The Fund is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds to gain exposure to equities, bonds 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 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:

Bonds 0% – 15%

Equities 75% – 100%

Alternative investments 0% – 20%

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 invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates.

The Fund maintains a higher overall sustainability score than that of its composite benchmark, based on the Investment Adviser's sustainability rating system. The Investment Adviser aims to select actively managed collective investment schemes or other funds which deliver a superior sustainability score than their respective benchmark, however, individual securities held in these funds' portfolios may not necessarily have positive environmental, social or governance characteristics. More details on the sustainability rating system used to achieve this can be found in the Fund Characteristics section.

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 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 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.

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 levels of volatility over the past 5 years.  *As disclosed in the key investor information document dated 30th November 2022.	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 30th November 2022

**Investment Review**

<b>Performance</b>	<b>01/12/21 to 30/11/22 %</b>	<b>15/07/20 to 30/11/21 %</b>
SPW Adventurous Portfolio Q Accumulation	-2.97	27.90

Source: Lipper for SPW Adventurous Portfolio. Basis: Net revenue reinvested and net of expenses.

On 15th July 2020 SPW Adventurous Portfolio was launched with Share Classes Q Accumulation and X Accumulation.

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 -1.0% in the 12 months to 30 November 2022. The benchmark returned -0.2% in the same period.

Global equities posted strong returns at the end of 2021 as investors focused on the resilience of the global economy and good earnings figures from companies. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. This contributed to a further surge in inflation as well as disruption to the production and transport of goods worldwide.

Shares remained under pressure in the spring and summer of 2022, due to investor expectations of interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened investor sentiment. Shares made positive returns in November, with emerging market equities outperforming their developed market counterparts. Gains came amid hopes US inflation may have already peaked, paving the way for the pace of interest rate rises to slow. Further support for shares came from signs of China loosening its strict Covid rules, which have weighed on economic activity.

Turning now to fixed income, there were positive returns for bonds from companies in the 12-month period. This was led by higher risk (high yield) emerging markets corporate bonds, along with US and sterling high-quality (investment grade) bonds from companies.

Regarding government bonds, the yield on US Treasuries with 10-year expiry dates rose from 1.45% to 3.61%, while the yield on two-year US Treasuries rose from 0.57% to 4.34% (bond yields rise when bond prices fall). The UK 10-year yield increased from 0.81% to 3.16% and the two-year yield from 0.48% to 3.26%. The German 10-year yield rose from a negative yield of -0.35% to 1.93%.

In the property market, following a strong start to 2022, sentiment towards the sector weakened as inflation accelerated and growth forecasts were downgraded. We expect that many investors will now take a wait-and-see approach until there is greater certainty on the outlook for inflation, interest rates and the economy. Many rents are index-linked, so higher inflation should feed through to rents, but the slowdown in economic growth could cut demand for space.

Schroder Investment Management Limited  
January 2023



# SPW Adventurous Portfolio

## Portfolio Statement

as at 30th November 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.98%, 30/11/21 97.45%)</b>			
<b>Collective Investment Schemes</b>			
Schroder Global Equity Component Fund X GBP Acct	451,227	362	5.15
Schroder International Selection Fund Global Equity I USD Acct	31,756	1,290	18.35
Schroder International Selection Fund Global High Yield I USD Acct	1,374	68	0.97
Schroder Prime UK Equity Fund X GBP Acct	840,894	1,103	15.69
Schroder QEP Global Core Fund X GBP Acct	592,739	1,290	18.35
Schroder Sterling Liquidity Fund X Inc†	290,150	290	4.13
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct	1,922,859	1,285	18.28
		5,688	80.92
<b>Exchange Traded Funds</b>			
iShares Core EURO STOXX 50 UCITS Acc	45	5	0.07
iShares JP Morgan USD Emerging Markets Bond UCITS Inc	1,002	71	1.01
iShares MSCI EM UCITS ETF USD Acc	4,077	114	1.62
iShares USD High Yield Corporate Bond UCITS Inc	881	66	0.94
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc	3,273	73	1.04
Lyxor FTSE Epra/Nareit Global Developed UCITS Inc	9,767	344	4.89
Structured Investments SICAV GSQuartix Modified Strategy on the Bloomberg Commodity Index	8,904	132	1.88
TotalReturn R3 GBP Acc			
Vanguard FTSE 100 UCITS GBP Acc	841	30	0.43
Vanguard FTSE Japan UCITS USD Acc	2,440	52	0.74
Vanguard S&P 500 UCITS USD Acc	7,407	453	6.44
		1,340	19.06
<b>TOTAL FINANCIALS</b>		<b>7,028</b>	<b>99.98</b>
<b>DERIVATIVES (0.20%, 30/11/21 -0.07%)</b>			
<b>Forward Currency Contracts</b>			
Bought AUD37,000 for GBP20,658 Settlement 25/01/2023~		0	0.00
Bought CAD31,000 for GBP19,457 Settlement 26/01/2023		0	0.00
Bought CHF25,000 for GBP22,197 Settlement 26/01/2023~		0	0.00
Bought EUR215,000 for GBP186,483 Settlement 26/01/2023		(1)	(0.01)
Bought HKD134,000 for GBP14,386 Settlement 26/01/2023~		0	0.00
Bought USD4,000 for GBP3,353 Settlement 26/01/2023~		0	0.00
Bought USD4,000 for GBP3,348 Settlement 26/01/2023~		0	0.00
Bought USD8,000 for GBP6,710 Settlement 26/01/2023~		0	0.00
		(1)	(0.01)
<b>Futures Contracts</b>			
EURO STOXX 50 Index Futures December 2022	3	8	0.11
MSCI Emerging Markets Index Futures December 2022	4	7	0.10
SP500 MIC EMIN FUT Futures December 2022	(5)	0	0.00
		15	0.21
<b>TOTAL DERIVATIVES</b>		<b>14</b>	<b>0.20</b>
<b>Portfolio of investments^</b>		<b>7,042</b>	<b>100.18</b>
<b>Net other liabilities</b>		<b>(13)</b>	<b>(0.18)</b>
<b>Total net assets</b>		<b>7,029</b>	<b>100.00</b>

Portfolio Statement

(continued)

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as at 30th November 2022

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.

^Including investment liabilities.

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

◇Asset managed by the Investment Adviser.

~The market value of the holding is below £500 and is therefore rounded down to £0.

## SPW Adventurous Portfolio

### Material Portfolio Changes

for the year ended 30th November 2022

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc† ♦	4,043	Schroder Sterling Liquidity Fund X Inc† ♦	3,753
Schroder QEP Global Core Fund X GBP Acct†	971	Vanguard S&P 500 UCITS USD Acc#	801
Schroder ISF Global Equity Fund X GBP Acct†	919	Schroder QEP Global Core Fund X GBP Acct†	406
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	904	iShares MSCI EM UCITS ETF USD Acc#	395
Vanguard S&P 500 UCITS USD Acc#	884	Schroder Prime UK Equity Fund X GBP Acct†	366
Schroder Prime UK Equity Fund X GBP Acct†	867	Schroder ISF Global Equity Fund X GBP Acct†	312
Schroder Global Equity Component Fund X GBP Acct†	412	Schroder Sustainable Multi - Factor Equity Fund X GBP Acct†	304
		Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS	
iShares MSCI EM UCITS ETF USD Acc#	361	Inc#	253
Lyxor FTSE Epra/Nareit Global Developed UCITS Inc#	259	Russell 2000 US Small Cap UCITS Acc#	140
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS			
Inc#	201	iShares NASDAQ 100 UCTIS ETF USD Acc#	139

The 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).

♦Asset managed by the Investment Adviser.

#Exchange Traded Fund.

**Comparative Table**

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class Q - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	127.90	100.00
Return before operating charges*	(3.08)	28.97
Operating charges	(0.81)	(1.07)
Return after operating charges*	(3.89)	27.90
Distributions	(1.12)	(0.86)
Retained distributions on accumulation shares	1.12	0.86
Closing net asset value per share	124.01	127.90
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges^	(3.04)%	27.90%
<b>Other information</b>		
Closing net asset value (£000)	5,001	1,989
Closing number of shares	4,032,522	1,554,781
Operating charges#	0.65%	0.64%
Direct transaction costs	0.01%	0.01%
<b>Prices**</b>		
Highest share price	131.90	131.70
Lowest share price	117.30	96.77

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#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 14 which is sourced from Lipper and based on daily published price.

\*\*The highest and lowest share prices are based on published price. The opening and closing net asset values per share include accounting  
Share Class Q Accumulation was launched on 15th July 2020.

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

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	128.45	100.00
Return before operating charges*	(3.08)	28.92
Operating charges	(0.38)	(0.47)
Return after operating charges*	(3.46)	28.45
Distributions	(1.59)	(1.28)
Retained distributions on accumulation shares	1.59	1.28
Closing net asset value per share	124.99	128.45
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges	(2.69)%	28.45%
<b>Other information</b>		
Closing net asset value (£000)	2,028	1,935
Closing number of shares	1,622,643	1,506,433
Operating charges#	0.30%	0.29%
Direct transaction costs	0.01%	0.01%
<b>Prices**</b>		
Highest share price	132.60	132.20
Lowest share price	118.00	96.78

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published 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 Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 15th July 2020.

**Statement of Total Return**

for the year ended 30th November 2022

		01/12/21 to 30/11/22	15/07/20 to 30/11/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(254)	471
Revenue	3	99	36
Expenses	4	(28)	(10)
Interest payable and similar charges		-	-
Net revenue before taxation		71	26
Taxation	5	-	-
Net revenue after taxation		71	26
<b>Total return before distributions</b>		<b>(183)</b>	<b>497</b>
Distributions	6	(71)	(26)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(254)</b>	<b>471</b>

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

for the year ended 30th November 2022

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>3,924</b>	-
Amounts receivable on creation of shares	4,836	3,555
Less: Amounts payable on cancellation of shares	(1,549)	(136)
	3,287	3,419
Dilution adjustment	1	1
Change in net assets attributable to shareholders from investment activities	(254)	471
Retained distributions on accumulation shares	71	33
<b>Closing net assets attributable to shareholders</b>	<b>7,029</b>	<b>3,924</b>

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

## SPW Adventurous Portfolio

### Balance Sheet

as at 30th November 2022

	Notes	30/11/22 £000	30/11/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		7,043	3,824
<b>Current assets</b>			
Debtors	7	78	138
Cash and bank balances	8	24	44
<b>Total assets</b>		<b>7,145</b>	<b>4,006</b>
<b>Liabilities</b>			
Investment liabilities		(1)	(3)
<b>Creditors</b>			
Bank overdrafts		(9)	(1)
Other creditors	9	(106)	(78)
<b>Total liabilities</b>		<b>(116)</b>	<b>(82)</b>
<b>Net assets attributable to shareholders</b>		<b>7,029</b>	<b>3,924</b>

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

## Notes to the Financial Statements

for the year ended 30th November 2022

### 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 10 to 12.

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

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Non-derivative securities	(233)	464
Futures contracts	(25)	5
Forward currency contracts	10	1
AMC rebates taken to capital	1	1
Currency losses	(7)	-
Net capital (losses)/gains	(254)	471

### 3. Revenue

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Distributions from Regulated Collective Investment Schemes:		
UK dividends	62	28
Offshore distributions	37	8
Total revenue	99	36

### 4. Expenses

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
All in charge	28	10
<b>Total expenses</b>	<b>28</b>	<b>10</b>

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £10,500 (30/11/21: £10,000). This is payable by the ACD on behalf of the Fund.

### 5. Taxation

#### (a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior period.



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

for the year ended 30th November 2022

**5. Taxation (continued)****(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue before taxation	71	26
Corporation tax of 20% (2021: 20%)	14	5
<b>Effects of:</b>		
Non-taxable UK dividends*	(12)	(6)
Overseas non-taxable revenue*	(5)	(1)
Movement in excess management expenses	3	2
Total tax charge for year (note 5a)	-	-

\*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 year or prior period.

**(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 £4,829 (30/11/21: £1,509) 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:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Final	71	33
Add: Revenue deducted on cancellation of shares	5	1
Deduct: Revenue received on creation of shares	(5)	(8)
Net distribution for the year	71	26

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

**7. Debtors**

	30/11/22 £000	30/11/21 £000
Sales awaiting settlement	-	93
Amounts receivable for issue of shares	2	39
Accrued revenue	3	-
AMC rebates receivable	1	1
Expense capping adjustment receivable	72	5
Total debtors	78	138

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**8. Cash and bank balances**

	30/11/22 £000	30/11/21 £000
Cash and bank balances	-	39
Amounts held at futures clearing houses and brokers	24	5
Total cash and bank balances	24	44

**9. Other creditors**

	30/11/22 £000	30/11/21 £000
Purchases awaiting settlement	33	76
Accrued expenses	73	2
Total other creditors	106	78

**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.

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £14,426 (30/11/21: £788) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustment are disclosed in note 4 with £71,933 (30/11/21: £4,774) 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 7,016,653 shares (30/11/21: 3,682,327 shares) with a cost of £8,154,086 (30/11/21: £4,097,623) and sales of 4,746,674 shares (30/11/21: 1,821,308 shares) with sales proceeds of £5,196,662 (30/11/21: £1,678,228).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 4,130,998 shares (30/11/21: 1,861,019 shares) and value of £5,687,765 (30/11/21: £2,801,752) 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 £83,876 (30/11/21: £30,980).

*Shares held by associates of the ACD*

The ACD held 1,622,643 (30/11/21: 507,433) X accumulation shares, 28.7% (30/11/21: 16.6%) of total shares in issue and Schroders plc held nil (30/11/21: 1,000,000) Q accumulation shares and nil (30/11/21: 999,000,000) X accumulation shares, 0.0% (30/11/21: 32.7%) of total shares in issue as at the year end.

**11. Share classes**

The sub-fund has 2 share classes in issue (30/11/21: 2).

The All-in Charge on each share class is as follows:

	30/11/22 %
Share Class Q - Accumulation:	0.65
Share Class X - Accumulation:	0.30

The All-in Charge covers the ACD's periodic charge, depositary's fees, operation and administration fees, professional fees and sub advisers' fees. Details of the All-in Charge are as set out in the Prospectus.

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.

## Notes to the Financial Statements

(continued)

for the year ended 30th November 2022

## 11. Share classes (continued)

## Reconciliation of the shares movement in the year:

	01/12/21 Opening shares in issue	Creations	Cancellations	30/11/22 Closing shares in issue
Share Class Q - Accumulation	1,554,781	2,540,953	(63,212)	4,032,522
Share Class X - Accumulation	1,506,433	1,284,718	(1,168,508)	1,622,643

There are no conversions in the year to report.

## 12. Capital commitments and contingent liabilities

On 30th November 2022, the sub-fund had no capital commitments (30/11/21: £nil) and no contingent liabilities (30/11/21: £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*

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 Scottish Widows Schroder Wealth Holdings Limited groups 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 30th November 2022, 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 £23,147 (30/11/21: £13,437).

As at 30th November the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/11/22 £000	Currency exposure 30/11/21 £000
Australian dollar	21	-
Canadian dollar	19	-
Euro	537	168
Hong Kong dollar	14	13
Swiss franc	22	-
US dollar	1,701	1,163
Total	2,314	1,344

(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 £220 (30/11/21: holding £38,713) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £15,242 (30/11/21: cash £4,225), 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 30th November 2022

**13. Risk management policies, 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.

<b>Financial derivative instrument exposure - fair value</b>	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	16	-
Forward currency contracts~	-	0
<b>Total Financial derivative instrument exposure</b>	<b>16</b>	<b>0</b>

~The market value of holdings is less than £500 and is therefore rounded down to £0.

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**

	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Morgan Stanley International - Forward currency contracts	(1)	(1)
Merrill Lynch - Futures contracts	15	(2)
<b>Total counterparty exposure</b>	<b>14</b>	<b>(3)</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.

<b>Collateral</b>	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	24	5
EUR Cash - Merrill Lynch	(7)	(1)
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.

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. 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 30th November 2022

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

As at 30th November 2022, 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 £70,416 (30/11/21: £38,211).

*(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 30th November, 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.

	30/11/22	30/11/21
	%	%
Gross leverage	104.59	108.45
Commitment leverage	8.78	0.98

*(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	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000	£000	£000
Collective Investment Schemes	10,574	5,636	7,220	2,308
<b>Commissions</b>				
Futures~	0	0	0	0
<b>Taxes</b>				
Collective Investment Schemes~	0	0	0	0
<b>Total net trades in the year after transaction costs</b>	10,574	5,636	7,220	2,308

~The market value of holdings is less than £500 and is therefore rounded down to £0.

**Total transaction cost expressed as a percentage of asset class trades**

	Purchases		Sales	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%	%	%
Collective Investment Schemes	0.00	0.00	0.00	0.00

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

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

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%
Commissions	0.01	0.01
Taxes and other expenses	0.00	0.00
Total costs	0.01	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. 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 0.07% (30/11/21: 0.07%).

**15. Fair value**

Valuation technique	30/11/22		30/11/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	1,224	(1)	1,022	(2)
Level 2	5,819	-	2,802	(1)
Level 3	-	-	-	-
Total fair value	7,043	(1)	3,824	(3)

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 Adventurous Portfolio

### Distribution Tables

for the year ended 30th November 2022

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st December 2021

Group 2 Final Shares purchased on or between 1st December 2021 and 30th November 2022

#### Share Class Q - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.1204	-	1.1204	0.8583
Group 2	(p)	(p)	(p)	(p)
Final	1.0162	0.1042	1.1204	0.8583

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.5885	-	1.5885	1.2777
Group 2	(p)	(p)	(p)	(p)
Final	1.3336	0.2549	1.5885	1.2777

#### 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 Balanced Portfolio

Investment Markets Overview

for the year ended 30th November 2022

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 32% MSCI ACWI (Net Total Return) index, 13% 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 directly, or 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 equities, bonds 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 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:

Bonds 20% – 55%

Equities 30% – 65%

Alternative investments 0% – 25%

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 invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates.

The Fund maintains a higher overall sustainability score than that of its composite benchmark, based on the Investment Adviser's sustainability rating system. The Investment Adviser aims to select actively managed collective investment schemes or other funds which deliver a superior sustainability score than their respective benchmark, however, individual securities held in these funds' portfolios may not necessarily have positive environmental, social or governance characteristics. More details on the sustainability rating system used to achieve this can be found in the Fund Characteristics section in the Prospectus.

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 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 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.

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 30th November 2022.	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 30th November 2022

**Investment Review**

<b>Performance</b>	<b>01/12/21 to 30/11/22 %</b>	<b>15/07/20 to 30/11/21 %</b>
SPW Balanced Portfolio Q Accumulation	-6.40	15.60

Source: Lipper for SPW Balanced Portfolio. Basis: Net revenue reinvested and net of expenses.

On 15th July 2020 SPW Balanced Portfolio was launched with Share Classes Q Accumulation and X Accumulation.

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 -5.1% in the 12 months to 30 November 2022. The benchmark returned -4.1% in the same period.

Global equities posted strong returns at the end of 2021 as investors focused on the resilience of the global economy and good earnings figures from companies. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. This contributed to a further surge in inflation as well as disruption to the production and transport of goods worldwide.

Shares remained under pressure in the spring and summer of 2022, due to investor expectations of interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened investor sentiment. Shares made positive returns in November, with emerging market equities outperforming their developed market counterparts. Gains came amid hopes US inflation may have already peaked, paving the way for the pace of interest rate rises to slow. Further support for shares came from signs of China loosening its strict Covid rules, which have weighed on economic activity.

Turning now to fixed income, there were positive returns for bonds from companies in the 12-month period. This was led by higher risk (high yield) emerging markets corporate bonds, along with US and sterling high-quality (investment grade) bonds from companies.

Regarding government bonds, the yield on US Treasuries with 10-year expiry dates rose from 1.45% to 3.61%, while the yield on two-year US Treasuries rose from 0.57% to 4.34% (bond yields rise when bond prices fall). The UK 10-year yield increased from 0.81% to 3.16% and the two-year yield from 0.48% to 3.26%. The German 10-year yield rose from a negative yield of -0.35% to 1.93%.

In the property market, following a strong start to 2022, sentiment towards the sector weakened as inflation accelerated and growth forecasts were downgraded. We expect that many investors will now take a wait-and-see approach until there is greater certainty on the outlook for inflation, interest rates and the economy. Many rents are index-linked, so higher inflation should feed through to rents, but the slowdown in economic growth could cut demand for space.

Schroder Investment Management Limited  
January 2023

# SPW Balanced Portfolio

## Portfolio Statement

as at 30th November 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (100.05%, 30/11/21 102.57%)</b>			
<b>Collective Investment Schemes</b>			
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct	37,430,392	19,393	12.96
Schroder Global Equity Component Fund X GBP Acct	8,892,145	7,132	4.76
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct	18,131,491	8,641	5.77
Schroder International Selection Fund Global Corporate Bond I USD Acct	1,623,085	19,537	13.05
Schroder International Selection Fund Global Equity I USD Acct	337,674	13,720	9.17
Schroder International Selection Fund Global High Yield I USD Acct	74,822	3,701	2.47
Schroder Multi-Asset Total Return I USD Acct	90,374	8,730	5.83
Schroder Prime UK Equity Fund X GBP Acct	14,460,298	18,957	12.66
Schroder QEP Global Core Fund X GBP Acct	4,599,644	10,009	6.69
Schroder Sterling Liquidity Fund X Inc†	7,822,655	7,823	5.23
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct	22,026,016	14,722	9.84
		132,365	88.43
<b>Exchange Traded Funds</b>			
iShares JP Morgan USD Emerging Markets Bond UCITS Inc	52,504	3,707	2.48
iShares USD High Yield Corporate Bond UCITS Inc	18,811	1,405	0.94
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc	66,716	1,481	0.99
Lyxor FTSE Epra/Nareit Global Developed UCITS Inc	167,243	5,892	3.93
Structured Investments SICAV GSQuartix Modified Strategy on the Bloomberg Commodity Index	293,166	4,336	2.90
TotalReturn R3 GBP Acc			
Vanguard FTSE 100 UCITS GBP Acc	16,161	577	0.38
		17,398	11.62
<b>TOTAL FINANCIALS</b>		<b>149,763</b>	<b>100.05</b>
<b>DERIVATIVES (0.23%, 30/11/21 -0.20%)</b>			
<b>Forward Currency Contracts</b>			
Bought AUD257,000 for GBP143,490 Settlement 25/01/2023		1	0.00
Bought EUR3,194,000 for GBP2,770,364 Settlement 26/01/2023		(9)	(0.01)
Sold USD19,281,000 for GBP16,171,944 Settlement 26/01/2023		149	0.10
Sold USD9,640,500 for GBP8,081,430 Settlement 26/01/2023		70	0.04
Sold USD9,640,500 for GBP8,069,782 Settlement 26/01/2023		59	0.04
Sold USD1,274,000 for GBP1,054,538 Settlement 26/01/2023		(4)	0.00
Sold USD448,000 for GBP368,154 Settlement 26/01/2023		(4)	0.00
		262	0.17
<b>Futures Contracts</b>			
EURO STOXX 50 Index Futures December 2022	4	9	0.01
MSCI Emerging Markets Index Futures December 2022	41	58	0.04
S&P 500 E Mini Index Futures December 2022	(12)	16	0.01
		83	0.06
<b>TOTAL DERIVATIVES</b>		<b>345</b>	<b>0.23</b>
<b>Portfolio of investments^</b>		<b>150,108</b>	<b>100.28</b>
<b>Net other liabilities</b>		<b>(425)</b>	<b>(0.28)</b>
<b>Total net assets</b>		<b>149,683</b>	<b>100.00</b>

Portfolio Statement

(continued)

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as at 30th November 2022

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.

^Including investment liabilities.

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

◇Asset managed by the Investment Adviser.

## SPW Balanced Portfolio

### Material Portfolio Changes

for the year ended 30th November 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc† ♦	62,889	Schroder Sterling Liquidity Fund X Inc† ♦	60,872
Schroder International Selection Fund Global Corporate Bond I USD Acct†	15,100	Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	8,083
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct†	14,040	Vanguard S&P 500 UCITS GBP Acc#	5,770
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	11,950	Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	5,025
Schroder International Selection Fund Global Equity I USD Acct†	11,319	Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc#	4,939
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	10,578	Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct†	4,192
Schroder Prime UK Equity Fund X GBP Acct†	9,820	iShares MSCI EM UCITS ETF USD Acc#	3,857
Schroder QEP Global Core Fund X GBP Acct†	7,823	iShares JPMorgan USD Emerging Markets Bond UCITS Inc#	1,176
Schroder Global Equity Component Fund Class X GBP Acct†	7,177	iShares Core EURO STOXX 50 USD Acc#	991
Schroder Multi-Asset Total Return I USD Acct†	4,967	iShares € High Yield Corp Bond UCITS ETF EUR#	860

The 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).

♦Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Balanced Portfolio

### Comparative Table

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class Q - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	115.55	100.00
Return before operating charges*	(6.62)	16.54
Operating charges	(0.72)	(0.99)
Return after operating charges*	(7.34)	15.55
Distributions	(1.03)	(0.57)
Retained distributions on accumulation shares	1.03	0.57
Closing net asset value per share	108.21	115.55
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges^	(6.35)%	15.55%
<b>Other information</b>		
Closing net asset value (£000)	149,432	67,981
Closing number of shares	138,100,171	58,831,260
Operating charges#	0.65%	0.64%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	117.90	117.80
Lowest share price	103.40	97.96

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#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 30 which is sourced from Lipper and based on daily published price.

\*\*The highest and lowest share prices are based on published 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 Q Accumulation was launched on 15th July 2020.

## SPW Balanced Portfolio

### Comparative Table

(continued)

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	116.12	100.00
Return before operating charges*	(6.75)	16.54
Operating charges	(0.33)	(0.42)
Return after operating charges*	(7.08)	16.12
Distributions	(1.33)	(1.05)
Retained distributions on accumulation shares	1.33	1.05
Closing net asset value per share	109.04	116.12
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges	(6.10)%	16.12%
<b>Other information</b>		
Closing net asset value (£000)	251	149
Closing number of shares	230,633	128,030
Operating charges#	0.30%	0.29%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	118.50	118.40
Lowest share price	104.20	98.06

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published 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 Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 15th July 2020.

## SPW Balanced Portfolio

### Statement of Total Return

for the year ended 30th November 2022

		01/12/21 to 30/11/22	15/07/20 to 30/11/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(7,387)	2,676
Revenue	3	1,754	385
Expenses	4	(622)	(194)
Interest payable and similar charges		(2)	(1)
Net revenue before taxation		1,130	190
Taxation	5	(22)	-
Net revenue after taxation		1,108	190
<b>Total return before distributions</b>		<b>(6,279)</b>	<b>2,866</b>
Distributions	6	(1,111)	(190)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(7,390)</b>	<b>2,676</b>

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

for the year ended 30th November 2022

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>68,130</b>	-
Amounts receivable on creation of shares	91,581	66,778
Less: Amounts payable on cancellation of shares	(4,061)	(1,670)
	87,520	65,108
Dilution adjustment	4	11
Change in net assets attributable to shareholders from investment activities	(7,390)	2,676
Retained distributions on accumulation shares	1,419	335
<b>Closing net assets attributable to shareholders</b>	<b>149,683</b>	<b>68,130</b>

Notes to the Financial Statements are on pages 39 to 46.

## SPW Balanced Portfolio

### Balance Sheet

as at 30th November 2022

	Notes	30/11/22 £000	30/11/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		150,125	69,890
<b>Current assets</b>			
Debtors	8	745	359
Cash and bank balances	9	251	259
<b>Total assets</b>		<b>151,121</b>	<b>70,508</b>
<b>Liabilities</b>			
Investment liabilities		(17)	(142)
<b>Creditors</b>			
Bank overdrafts		(23)	(301)
Other creditors	10	(1,398)	(1,935)
<b>Total liabilities</b>		<b>(1,438)</b>	<b>(2,378)</b>
<b>Net assets attributable to shareholders</b>		<b>149,683</b>	<b>68,130</b>

Notes to the Financial Statements are on pages 39 to 46.



## Notes to the Financial Statements

for the year ended 30th November 2022

### 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 10 to 12.

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

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Non-derivative securities	(5,203)	3,005
Futures contracts	(550)	(41)
Forward currency contracts	(1,554)	(306)
AMC rebates taken to capital	17	6
Currency (losses)/gains	(97)	12
Net capital (losses)/gains	(7,387)	2,676

### 3. Revenue

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Distributions from Regulated Collective Investment Schemes:		
UK dividends	766	240
Interest distributions	248	67
Offshore distributions	725	78
Futures income	15	-
Total revenue	1,754	385

### 4. Expenses

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
All in charge	622	194
<b>Total expenses</b>	<b>622</b>	<b>194</b>

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £10,500 (30/11/21: £10,000). This is payable by the ACD on behalf of the Fund.

### 5. Taxation

#### (a) Analysis of charge in year:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Corporation tax	22	-

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**5. Taxation (continued)****(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue before taxation	1,130	190
Corporation tax of 20% (2021: 20%)	226	38
<b>Effects of:</b>		
Non-taxable UK dividends*	(153)	(48)
Overseas non-taxable revenue*	(40)	(5)
Tax charge on rebates taken to capital	3	1
Movement in excess management expenses	(14)	14
Total tax charge for year (note 5a)	22	-

\*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 year or prior period.

**(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 £nil (30/11/21: £14,204) 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:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Final	1,419	335
Add: Revenue deducted on cancellation of shares	6	6
Deduct: Revenue received on creation of shares	(314)	(151)
Net distribution for the year	1,111	190

Details of the distributions per share are set out in the Distribution Tables on page 47.

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue after taxation	1,108	190
Tax charge on rebates taken to capital	3	-
Net distribution for the year	1,111	190

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

for the year ended 30th November 2022

**8. Debtors**

	30/11/22	30/11/21
	£000	£000
Amounts receivable for issue of shares	604	342
Accrued revenue	64	-
AMC rebates receivable	15	6
Expense capping adjustment receivable	62	11
Total debtors	745	359

**9. Cash and bank balances**

	30/11/22	30/11/21
	£000	£000
Cash and bank balances	58	98
Amounts held at futures clearing houses and brokers	193	161
Total cash and bank balances	251	259

**10. Other creditors**

	30/11/22	30/11/21
	£000	£000
Purchases awaiting settlement	1,223	1,897
Accrued expenses	153	38
Corporation tax payable	22	-
Total other creditors	1,398	1,935

**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.

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £71,637 (30/11/21: £12,231) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustment are disclosed in note 4 with £61,951 (30/11/21: £10,690) 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 148,198,505 shares (30/11/21: 86,563,682 shares) with a cost of £157,666,716 (30/11/21: £82,731,851) and sales of 90,517,011 shares (30/11/21: 29,776,580 shares) with sales proceeds of £79,051,450 (30/11/21: £28,019,359).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 115,488,596 shares (30/11/21: 56,787,102 shares) and value of £132,365,213 (30/11/21: £57,153,749) 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 £1,335,165 (30/11/21: £327,086).

*Shares held by associates of the ACD*

The ACD held 230,633 (30/11/21: 128,030) X accumulation shares, 0.2% (30/11/21: 0.2%) of total shares in issue as at the year end.

**12. Share classes**

The sub-fund has 2 share classes in issue (30/11/21: 2).

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**12. Share classes (continued)**

The All-in Charge on each share class is as follows:

	30/11/22 %
Share Class Q - Accumulation:	0.65
Share Class X - Accumulation:	0.30

The All-in Charge covers the ACD's periodic charge, depositary's fees, operation and administration fees, professional fees and sub advisers' fees. Details of the All-in Charge are as set out in the Prospectus.

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 36.

The distributions per share class are given in the Distribution Tables on page 47.

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

	01/12/21 Opening shares in issue	Creations	Cancellations	30/11/22 Closing shares in issue
Share Class Q - Accumulation	58,831,260	82,834,688	(3,565,777)	138,100,171
Share Class X - Accumulation	128,030	184,367	(81,764)	230,633

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 30th November 2022, the sub-fund had no capital commitments (30/11/21: £nil) and no contingent liabilities (30/11/21: £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 Scottish Widows Schroder Wealth Holdings Limited groups 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 30th November 2022, 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 £272,412 (30/11/21: £86,249).

As at 30th November the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/11/22 £000	Currency exposure 30/11/21 £000
Australian dollar	144	-
Euro	8,657	1,856
US dollar	18,440	6,769
Total	27,241	8,625

*(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 Fund's investments may fluctuate depending upon the particular decisions made by each Fund. The 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 £58,383 (30/11/21: overdraft £122,826) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

## Notes to the Financial Statements

(continued)

for the year ended 30th November 2022

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

The sub-fund holds net cash at futures brokers of £169,935 (30/11/21: cash £80,972), 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 period, 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 period end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

Financial derivative instrument exposure - fair value	30/11/22 £000	30/11/21 £000
Exchange traded derivatives	83	-
Forward currency contracts	279	4
<b>Total Financial derivative instrument exposure</b>	<b>362</b>	<b>4</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.

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.

Counterparties to financial derivative instruments and efficient portfolio management techniques	30/11/22 £000	30/11/21 £000
Bank of America - Forward currency contracts	(9)	-
BNP Paribas - Forward currency contracts	-	(9)
JPMorgan Bank - Forward currency contracts	(4)	(60)
Lloyds Bank - Forward currency contracts	-	(12)
Morgan Stanley - Forward currency contracts	208	(23)
State Street Bank London - Forward currency contracts	(4)	-
UBS - Forward currency contracts	71	5
Merrill Lynch - Futures contracts	83	(37)
<b>Total counterparty exposure</b>	<b>345</b>	<b>(136)</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	30/11/22 £000	30/11/21 £000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	193	161
EUR Cash - Merrill Lynch	(6)	(31)
USD Cash - Merrill Lynch	(17)	(49)

## (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.

for the year ended 30th November 2022

#### 14. Risk management policies, derivatives and other financial instruments (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. 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 30th November 2022, 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 £1,497,634 (30/11/21: £697,478).

##### (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 30th November, 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.

	30/11/22	30/11/21
	%	%
Gross leverage	123.16	117.89
Commitment leverage	4.48	3.64

##### (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 30th November 2022

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000	£000	£000
Collective Investment Schemes	181,163	98,397	97,417	31,844
<b>Commissions</b>				
Futures	1	1	(1)	(1)
<b>Taxes</b>				
Collective Investment Schemes~	-	0	-	-
<b>Total Taxes and other expenses</b>	1	1	(1)	(1)
<b>Total net trades in the year</b>	181,164	98,398	97,416	31,843

~The market value of holdings is less than £500 and is therefore rounded down to £0.

**Total transaction cost expressed as a percentage of asset class trades**

	Purchases		Sales	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%	%	%
Collective Investment Schemes	0.00	0.00	0.00	0.00

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

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%
Commissions	0.00	0.01
Taxes and other expenses	0.00	0.00
<b>Total costs</b>	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. 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 0.06% (30/11/21: 0.05%).

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**16. Fair value**

Valuation technique	30/11/22		30/11/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	17,481	-	12,732	(39)
Level 2	132,644	(17)	57,158	(103)
Level 3	-	-	-	-
Total fair value	150,125	(17)	69,890	(142)

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 Portfolio

### Distribution Tables

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for the year ended 30th November 2022

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st December 2021

Group 2 Final Shares purchased on or between 1st December 2021 and 30th November 2022

#### Share Class Q - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.0254	-	1.0254	0.5674
Group 2	(p)	(p)	(p)	(p)
Final	0.6541	0.3713	1.0254	0.5674

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.3270	-	1.3270	1.0525
Group 2	(p)	(p)	(p)	(p)
Final	1.3270	-	1.3270	1.0525

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

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

Final - 78.70% of the dividend is received as non-taxable income.

Final - 21.25% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.05% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Investment Markets Overview

for the year ended 30th November 2022

Investment Objective

The Fund aims to provide income and capital growth 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 11% MSCI ACWI (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 directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds to gain exposure to equities, bonds 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 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:

Bonds 45% – 80%

Equities 5% – 30%

Alternative investments 0% – 25%

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 invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates.

The Fund maintains a higher overall sustainability score than that of its composite benchmark, based on the Investment Adviser's sustainability rating system. The Investment Adviser aims to select actively managed collective investment schemes or other funds which deliver a superior sustainability score than their respective benchmark, however, individual securities held in these funds' portfolios may not necessarily have positive environmental, social or governance characteristics. More details on the sustainability rating system used to achieve this can be found in the Fund Characteristics section.

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 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 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.

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 30th November 2022.	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 30th November 2022

**Investment Review**

<b>Performance</b>	<b>01/12/21 to 30/11/22 %</b>	<b>15/07/20 to 30/11/21 %</b>
SPW Cautious Portfolio Q Accumulation	-10.72	8.30

Source: Lipper for SPW Cautious Portfolio. Basis: Net revenue reinvested and net of expenses.

On 15th July 2020 SPW Cautious Portfolio was launched with Share Classes Q Accumulation and X Accumulation.

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 -10.0% in the 12 months to 30 November 2022. The benchmark returned -8.7% in the same period.

Global equities posted strong returns at the end of 2021 as investors focused on the resilience of the global economy and good earnings figures from companies. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. This contributed to a further surge in inflation as well as disruption to the production and transport of goods worldwide.

Shares remained under pressure in the spring and summer of 2022, due to investor expectations of interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened investor sentiment. Shares made positive returns in November, with emerging market equities outperforming their developed market counterparts. Gains came amid hopes US inflation may have already peaked, paving the way for the pace of interest rate rises to slow. Further support for shares came from signs of China loosening its strict Covid rules, which have weighed on economic activity.

Turning now to fixed income, there were positive returns for bonds from companies in the 12-month period. This was led by higher risk (high yield) emerging markets corporate bonds, along with US and sterling high-quality (investment grade) bonds from companies.

Regarding government bonds, the yield on US Treasuries with 10-year expiry dates rose from 1.45% to 3.61%, while the yield on two-year US Treasuries rose from 0.57% to 4.34% (bond yields rise when bond prices fall). The UK 10-year yield increased from 0.81% to 3.16% and the two-year yield from 0.48% to 3.26%. The German 10-year yield rose from a negative yield of -0.35% to 1.93%.

In the property market, following a strong start to 2022, sentiment towards the sector weakened as inflation accelerated and growth forecasts were downgraded. We expect that many investors will now take a wait-and-see approach until there is greater certainty on the outlook for inflation, interest rates and the economy. Many rents are index-linked, so higher inflation should feed through to rents, but the slowdown in economic growth could cut demand for space.

Schroder Investment Management Limited  
January 2023

# SPW Cautious Portfolio

## Portfolio Statement

as at 30th November 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.73%, 30/11/21 100.57%)</b>			
<b>Collective Investment Schemes</b>			
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct†	32,458,723	16,817	18.75
Schroder Global Equity Component Fund X GBP Acct†	2,984,029	2,393	2.67
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	19,990,614	9,528	10.62
Schroder International Selection Fund Global Corporate Bond I USD Acct†	1,413,110	17,009	18.96
Schroder International Selection Fund Global Equity I USD Acct†	59,276	2,408	2.68
Schroder International Selection Fund Global High Yield I USD Acct†	71,370	3,530	3.93
Schroder Multi-Asset Total Return I USD Acct†	64,931	6,272	6.99
Schroder Prime UK Equity Fund X GBP Acct†	3,468,800	4,548	5.07
Schroder QEP Global Core Fund X GBP Acct†	856,991	1,865	2.08
Schroder Sterling Liquidity Fund X Inc†	4,151,621	4,152	4.63
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	4,142,955	2,769	3.09
		71,291	79.47
<b>Exchange Traded Funds</b>			
iShares Global Corporate Bond UCITS USD Acc (Hedged)	1,758,377	7,579	8.45
iShares JP Morgan USD Emerging Markets Bond UCITS Inc	51,488	3,635	4.05
iShares USD High Yield Corporate Bond UCITS Inc	11,491	858	0.96
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc	38,043	845	0.94
Lyxor FTSE Epra/Nareit Global Developed UCITS Inc	101,081	3,561	3.97
Structured Investments SICAV GSQuartix Modified Strategy on the Bloomberg Commodity Index TotalReturn R3 GBP Acc	114,817	1,698	1.89
		18,176	20.26
<b>TOTAL FINANCIALS</b>		<b>89,467</b>	<b>99.73</b>
<b>DERIVATIVES (0.34%, 30/11/21 -0.41%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR1,910,000 for GBP1,656,667 Settlement 26/01/2023		(5)	(0.01)
Sold USD21,534,500 for GBP18,062,068 Settlement 26/01/2023		167	0.19
Sold USD10,767,250 for GBP9,025,962 Settlement 26/01/2023		78	0.09
Sold USD10,767,250 for GBP9,012,951 Settlement 26/01/2023		65	0.07
Sold USD319,000 for GBP264,485 Settlement 26/01/2023		(1)	0.00
Sold USD439,000 for GBP362,824 Settlement 26/01/2023		(2)	0.00
Sold USD434,000 for GBP356,649 Settlement 26/01/2023		(4)	(0.01)
		298	0.33
<b>Futures Contracts</b>			
MSCI Emerging Markets Index Futures December 2022	6	2	0.00
S&P 500 E Mini Index Futures December 2022	(7)	5	0.01
		7	0.01
<b>TOTAL DERIVATIVES</b>		<b>305</b>	<b>0.34</b>
<b>Portfolio of investments^</b>		<b>89,772</b>	<b>100.07</b>
<b>Net other liabilities</b>		<b>(61)</b>	<b>(0.07)</b>
<b>Total net assets</b>		<b>89,711</b>	<b>100.00</b>

**Portfolio Statement**

(continued)

as at 30th November 2022

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.

^Including investment liabilities.

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

◇Asset managed by the Investment Adviser.

**Material Portfolio Changes**

for the year ended 30th November 2022

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc† ♦	38,242	Schroder Sterling Liquidity Fund X Inc† ♦	38,826
Schroder International Selection Fund Global Corporate Bond I USD Acct†	10,292	Schroder International Selection Fund Global Corporate Bond I USD Acct†	3,256
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct†	8,571	Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc#	2,801
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	7,193	Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	2,584
iShares Global Corporate Bond UCITS USD Acc (Hedged)#	5,234	Vanguard S&P 500 UCITS USD Acc#	2,279
Schroder Multi-Asset Total Return I USD Acct†	3,411	iShares MSCI EM UCITS ETF USD Acc#	1,890
iShares JP Morgan USD Emerging Markets Bond UCITS Inc#	2,671	Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	1,854
Schroder Global Equity Component Fund X GBP Acct†	2,411	iShares Global Corporate Bond UCITS USD Acc (Hedged)#	1,717
Schroder International Selection Fund Global Equity I USD Acct†	1,917	Schroder Multi-Asset Total Return I USD Acct†	1,240
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc #	1,863	iShares JP Morgan USD Emerging Markets Bond UCITS Inc #	912

The 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).

♦Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Cautious Portfolio

### Comparative Table

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class Q - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	108.25	100.00
Return before operating charges*	(10.95)	9.20
Operating charges	(0.65)	(0.95)
Return after operating charges*	(11.60)	8.25
Distributions	(0.98)	(0.28)
Retained distributions on accumulation shares	0.98	0.28
Closing net asset value per share	96.65	108.25
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges^	(10.72)%	8.25%
<b>Other information</b>		
Closing net asset value (£000)	89,684	56,790
Closing number of shares	92,797,310	52,461,646
Operating charges#	0.65%	0.64%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	109.60	109.80
Lowest share price	92.32	99.37

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#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 49 which is sourced from Lipper and based on daily published price.

\*\*The highest and lowest share prices are based on published 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 Q Accumulation was launched on 15th July 2020.

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

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	100.59	100.00
Return before operating charges*	(10.55)	1.00
Operating charges	(0.27)	(0.41)
Return after operating charges*	(10.82)	0.59
Distributions	(0.85)	-
Retained distributions on accumulation shares	0.85	-
Closing net asset value per share	89.77	100.59
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges	(10.76)%	0.59%
<b>Other information</b>		
Closing net asset value (£000)	27	2
Closing number of shares	29,667	1,366
Operating charges#	0.30%	0.29%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	110.10	110.30
Lowest share price	85.72	99.45

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published 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 Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 15th July 2020.



## Statement of Total Return

for the year ended 30th November 2022

		01/12/21 to 30/11/22	15/07/20 to 30/11/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(8,675)	1,249
Revenue	3	1,308	259
Expenses	4	(415)	(167)
Interest payable and similar charges		(1)	(1)
Net revenue before taxation		892	91
Taxation	5	(120)	-
Net revenue after taxation		772	91
<b>Total return before distributions</b>		<b>(7,903)</b>	<b>1,340</b>
Distributions	6	(774)	(91)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(8,677)</b>	<b>1,249</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30th November 2022

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>56,792</b>	-
Amounts receivable on creation of shares	45,842	57,214
Less: Amounts payable on cancellation of shares	(5,156)	(1,832)
	40,686	55,382
Dilution adjustment	1	12
Change in net assets attributable to shareholders from investment activities	(8,677)	1,249
Retained distributions on accumulation shares	909	149
<b>Closing net assets attributable to shareholders</b>	<b>89,711</b>	<b>56,792</b>

Notes to the Financial Statements are on pages 57 to 63.

## SPW Cautious Portfolio

### Balance Sheet

as at 30th November 2022

	Notes	30/11/22 £000	30/11/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		89,784	57,116
<b>Current assets</b>			
Debtors	8	534	738
Cash and bank balances	9	60	680
<b>Total assets</b>		<b>90,378</b>	<b>58,534</b>
<b>Liabilities</b>			
Investment liabilities		(12)	(234)
<b>Creditors</b>			
Bank overdrafts		(45)	(65)
Other creditors	10	(610)	(1,443)
<b>Total liabilities</b>		<b>(667)</b>	<b>(1,742)</b>
<b>Net assets attributable to shareholders</b>		<b>89,711</b>	<b>56,792</b>

Notes to the Financial Statements are on pages 57 to 63.

## Notes to the Financial Statements

for the year ended 30th November 2022

### 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 10 to 12.

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

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Non-derivative securities	(4,726)	2,005
Futures contracts	(460)	(25)
Forward currency contracts	(1,403)	(744)
AMC rebates taken to capital	12	5
Currency (losses)/gains	(2,083)	8
Future income bifurcation	(15)	-
Net capital (losses)/gains	(8,675)	1,249

### 3. Revenue

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Distributions from Regulated Collective Investment Schemes:		
UK dividends	194	70
Interest distributions	252	79
Offshore distributions	847	110
HM Revenue and Customs interest	15	-
Total revenue	1,308	259

### 4. Expenses

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
All in charge	415	167
<b>Total expenses</b>	<b>415</b>	<b>167</b>

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £10,500 (30/11/21: £10,000). This is payable by the ACD on behalf of the Fund.

### 5. Taxation

#### (a) Analysis of charge in year:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Corporation tax~	120	-

~The value of corporation tax is below £500 and is therefore rounded down to £0.

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

for the year ended 30th November 2022

**5. Taxation (continued)****(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue before taxation	892	91
Corporation tax of 20% (2021: 20%)	178	18
<b>Effects of:</b>		
Non-taxable UK dividends*	(39)	(14)
Overseas non-taxable revenue*	(22)	(5)
Taxable income taken to capital	3	1
Total tax charge for year (note 5a)	120	-

\*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 year or prior period.

**6. Distributions**

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Final	909	149
Add: Revenue deducted on cancellation of shares	25	3
Deduct: Revenue received on creation of shares	(160)	(61)
Net distribution for the year	774	91

Details of the distributions per share are set out in the Distribution Tables on page 64.

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue after taxation	772	91
Tax charge on rebates taken to capital	2	-
Net distribution for the year	774	91

**8. Debtors**

	30/11/22 £000	30/11/21 £000
Amounts receivable for issue of shares	399	719
Accrued revenue	44	-
AMC rebates receivable	10	5
Expense capping adjustment receivable	81	14
Total debtors	534	738

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**9. Cash and bank balances**

	30/11/22 £000	30/11/21 £000
Cash and bank balances	-	545
Amounts held at futures clearing houses and brokers	60	135
Total cash and bank balances	60	680

**10. Other creditors**

	30/11/22 £000	30/11/21 £000
Purchases awaiting settlement	195	1,411
Amounts payable for cancellation of shares	171	-
Accrued expenses	124	32
Corporation tax payable	120	-
Total other creditors	610	1,443

**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.

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £0 (30/11/21: £4,924) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustment are disclosed in note 4 with £80,596 (30/11/21: £13,940) 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 76,774,018 shares (30/11/21: 66,052,762 shares) with a cost of £78,250,342 (30/11/21: £68,294,655) and sales of 47,537,436 shares (30/11/21: 25,626,925 shares) with sales proceeds of £48,316,853 (30/11/21: £25,150,066).

The sub fund has related party holdings in funds managed by either the ACD or one of its related parties of 69,662,420 shares (30/11/21: 40,425,837 shares) and value of £71,290,933 (30/11/21: £44,579,680) 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 £924,728 (30/11/21: £170,297).

*Shares held by associates of the ACD*

The ACD held 29,667 (30/11/21: 1,366) X accumulation shares, 0.0% (30/11/21: 0.0%) of total shares in issue as at the year end.

**12. Share classes**

The sub-fund has 2 share classes in issue (30/11/21: 2).

The All-in Charge on each share class is as follows:

	30/11/22 %
Share Class Q - Accumulation:	0.65
Share Class X - Accumulation:	0.30

The All-in Charge covers the ACD's periodic charge, depositary's fees, operation and administration fees, professional fees and sub advisers' fees. Details of the All-in Charge are as set out in the Prospectus.

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 53 to 54.

The distributions per share class are given in the Distribution Tables on page 64.

## Notes to the Financial Statements

(continued)

for the year ended 30th November 2022

## 12. Share classes (continued)

## Reconciliation of the shares movement in the year:

	01/12/21 Opening shares in issue	Creations	Cancellations	30/11/22 Closing shares in issue
Share Class Q - Accumulation	52,461,646	45,534,424	(5,198,760)	92,797,310
Share Class X - Accumulation	1,366	28,301	-	29,667

There are no conversions in the year to report.

## 13. Capital commitments and contingent liabilities

On 30th November 2022, the sub-fund had no capital commitments (30/11/21: £nil) and no contingent liabilities (30/11/21: £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

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 Scottish Widows Schroder Wealth Holdings Limited groups 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 30th November 2022, 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 £106,569 (30/11/21: £40,242).

As at 30th November the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/11/22 £000	Currency exposure 30/11/21 £000
Euro	5,213	1,916
US dollar	5,444	2,108
Total	10,657	4,024

## (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 Fund's investments may fluctuate depending upon the particular decisions made by each Fund. The 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 overdraft of £45,605 (30/11/21: holding £545,030) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £60,101 (30/11/21: cash £69,633), 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 period, 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 30th November 2022

## 14. Risk management policies, 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.

Financial derivative instrument exposure - fair value	30/11/22 £000	30/11/21 £000
Exchange traded derivatives	7	-
Forward currency contracts	310	3
<b>Total Financial derivative instrument exposure</b>	<b>317</b>	<b>3</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.

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.

Counterparties to financial derivative instruments and efficient portfolio management techniques	30/11/22 £000	30/11/21 £000
Bank of America - Forward currency contracts	(5)	(1)
BNP Paribas - Forward currency contracts	-	(19)
CitiBank - Forward currency contracts	-	(1)
JP Morgan Bank - Forward currency contracts	(3)	(128)
Lloyds Bank - Forward currency contracts	-	(24)
Morgan Stanley - Forward currency contracts	232	(23)
Royal Bank of Canada - Forward currency contracts	-	(3)
UBS - Forward currency contracts	78	2
Merrill Lynch - Futures contracts	3	(34)
<b>Total counterparty exposure</b>	<b>305</b>	<b>(231)</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	30/11/22 £000	30/11/21 £000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	16	135
EUR Cash - Merrill Lynch	-	(25)
USD Cash - Merrill Lynch	44	(40)

## (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. 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.

## Notes to the Financial Statements

(continued)

for the year ended 30th November 2022

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

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 30th November 2022, 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 £897,725 (30/11/21: £568,820).

## (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 30th November, 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.

	30/11/22	30/11/21
	%	%
Gross leverage	139.85	139.72
Commitment leverage	3.43	2.36

## (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	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000	£000	£000
Collective Investment Schemes	95,226	83,384	59,070	28,464
<b>Commissions</b>				
Futures	1	1	(1)	(1)
<b>Taxes</b>				
Collective Investment Schemes~	0	0	0	0
<b>Total Taxes and other expenses</b>	1	1	(1)	(1)
<b>Total net trades in the year</b>	95,227	83,385	59,069	28,463

~The market value of holdings is less than £500 and is therefore rounded down to £0.

## Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%	%	%
Collective Investment Schemes	0.00	0.00	0.00	0.00



**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

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

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%
Commissions	0.00	0.01
Taxes and other expenses	0.00	0.00
Total costs	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. 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 0.08% (30/11/21: 0.05%).

**16. Fair value**

Valuation technique	30/11/22		30/11/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	18,183	-	12,533	(34)
Level 2	71,601	(12)	44,583	(200)
Level 3	-	-	-	-
Total fair value	89,784	(12)	57,116	(234)

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 Portfolio

### Distribution Tables

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for the year ended 30th November 2022

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st December 2021

Group 2 Final Shares purchased on or between 1st December 2021 and 30th November 2022

#### Share Class Q - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	0.9793	-	0.9793	0.2831
Group 2	(p)	(p)	(p)	(p)
Final	0.6277	0.3516	0.9793	0.2831

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	0.8533	-	0.8533	-
Group 2	(p)	(p)	(p)	(p)
Final	0.8533	-	0.8533	-

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

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

Final - 31.77% of the dividend is received as non-taxable income.

Final - 68.22% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.01% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Investment Markets Overview

for the year ended 30th November 2022

Investment Objective

The Fund aims to provide income and capital growth 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 22% MSCI ACWI (Net Total Return) index, 8% 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 directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds to gain exposure to equities, bonds 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 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:

Bonds 30% – 70%

Equities 15% – 50%

Alternative investments 0% – 25%

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 invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates.

The Fund maintains a higher overall sustainability score than that of its composite benchmark, based on the Investment Adviser's sustainability rating system. The Investment Adviser aims to select actively managed collective investment schemes or other funds which deliver a superior sustainability score than their respective benchmark, however, individual securities held in these funds' portfolios may not necessarily have positive environmental, social or governance characteristics. More details on the sustainability rating system used to achieve this can be found in the Fund Characteristics section.

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 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 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.

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 30th November 2022.	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 30th November 2022

**Investment Review**

<b>Performance</b>	<b>01/12/21 to 30/11/22 %</b>	<b>15/07/20 to 30/11/21 %</b>
SPW Discovery Portfolio Q Accumulation	-8.86	11.80

Source: Lipper for SPW Discovery Portfolio. Basis: Net revenue reinvested and net of expenses.

On 15th July 2020 SPW Discovery Portfolio was launched with Share Classes Q Accumulation and X Accumulation.

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 -7.9% in the 12 months to 30 November 2022. The benchmark returned -6.5% in the same period.

Global shares equities posted strong returns at the end of 2021 as investors focused on the resilience of the global economy and good earnings figures from companies. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. This contributed to a further surge in inflation as well as disruption to the production and transport of goods worldwide.

Shares remained under pressure in the spring and summer of 2022, due to investor expectations of interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened investor sentiment. Shares made positive returns in November, with emerging market equities outperforming their developed market counterparts. Gains came amid hopes US inflation may have already peaked, paving the way for the pace of interest rate rises to slow. Further support for shares came from signs of China loosening its strict Covid rules, which have weighed on economic activity.

Turning now to fixed income, there were positive returns for bonds from companies in the 12-month period. This was led by higher risk (high yield) emerging markets corporate bonds, along with US and sterling high-quality (investment grade) bonds from companies.

Regarding government bonds, the yield on US Treasuries with 10-year expiry dates rose from 1.45% to 3.61%, while the yield on two-year US Treasuries rose from 0.57% to 4.34% (bond yields rise when bond prices fall). The UK 10-year yield increased from 0.81% to 3.16% and the two-year yield from 0.48% to 3.26%. The German 10-year yield rose from a negative yield of -0.35% to 1.93%.

In the property market, following a strong start to 2022, sentiment towards the sector weakened as inflation accelerated and growth forecasts were downgraded. We expect that many investors will now take a wait-and-see approach until there is greater certainty on the outlook for inflation, interest rates and the economy. Many rents are index-linked, so higher inflation should feed through to rents, but the slowdown in economic growth could cut demand for space.

Schroder Investment Management Limited  
January 2023

# SPW Discovery Portfolio

## Portfolio Statement

as at 30th November 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.69%, 30/11/21 102.79%)</b>			
<b>Collective Investment Schemes</b>			
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct†	17,337,201	8,982	17.83
Schroder Global Equity Component Fund X GBP Acct†	2,717,600	2,180	4.33
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	8,480,674	4,042	8.03
Schroder International Selection Fund Global Corporate Bond I USD Acct†	753,029	9,064	18.00
Schroder International Selection Fund Global Equity I USD Acct†	71,484	2,904	5.77
Schroder International Selection Fund Global High Yield I USD Acct†	35,394	1,751	3.48
Schroder Multi-Asset Total Return I USD Acct†	35,918	3,470	6.89
Schroder Prime UK Equity Fund X GBP Acct†	3,098,050	4,062	8.06
Schroder QEP Global Core Fund X GBP Acct†	1,008,028	2,193	4.35
Schroder Sterling Liquidity Fund X Inc† ◊	2,150,404	2,150	4.27
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	4,740,447	3,169	6.29
		43,967	87.30
<b>Exchange Traded Funds</b>			
iShares JP Morgan USD Emerging Markets Bond UCITS Inc	25,334	1,789	3.55
iShares USD High Yield Corporate Bond UCITS Inc	6,216	464	0.92
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc	22,863	508	1.01
Lyxor FTSE Epra/Nareit Global Developed UCITS Inc	57,155	2,013	4.00
Structured Investments SICAV GSQuartix Modified Strategy on the Bloomberg Commodity Index	62,636	926	1.84
TotalReturn R3 GBP Acc			
Vanguard FTSE Japan UCITS USD Acc	1,635	35	0.07
		5,735	11.39
<b>TOTAL FINANCIALS</b>		<b>49,702</b>	<b>98.69</b>
<b>DERIVATIVES (0.27%, 30/11/21 -0.31%)</b>			
<b>Forward Currency Contracts</b>			
Bought EUR1,062,000 for GBP921,142 Settlement 26/01/2023		(3)	(0.01)
Sold USD8,842,500 for GBP7,416,649 Settlement 26/01/2023		69	0.14
Sold USD4,421,250 for GBP3,706,242 Settlement 26/01/2023		32	0.06
Sold USD4,421,250 for GBP3,700,900 Settlement 26/01/2023		27	0.06
Sold USD308,000 for GBP255,364 Settlement 26/01/2023		(1)	0.00
Sold USD423,000 for GBP347,609 Settlement 26/01/2023		(4)	(0.01)
		120	0.24
<b>Futures Contracts</b>			
MSCI Emerging Markets Index Futures December 2022	9	14	0.03
S&P 500 E Mini Index Futures December 2022	(4)	1	0.00
		15	0.03
<b>TOTAL DERIVATIVES</b>		<b>135</b>	<b>0.27</b>
<b>Portfolio of investments^</b>		<b>49,837</b>	<b>98.96</b>
<b>Net other assets</b>		<b>523</b>	<b>1.04</b>
<b>Total net assets</b>		<b>50,360</b>	<b>100.00</b>

Portfolio Statement

(continued)

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as at 30th November 2022

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.

^Including investment liabilities.

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

◇Asset managed by the Investment Adviser.

## SPW Discovery Portfolio

### Material Portfolio Changes

for the year ended 30th November 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc† ♦	23,545	Schroder Sterling Liquidity Fund X Inc† ♦	23,447
Schroder International Selection Fund Global Corporate Bond I USD Acct†	6,359	Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	3,464
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct†	5,883	Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	1,508
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct†	4,066	Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc#	1,285
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct†	3,316	Schroder International Selection Fund Global Corporate Bond I USD Acct†	1,094
Schroder International Selection Fund Global Equity I USD Acct†	2,545	Vanguard S&P 500 UCITS USD Acc#	994
Schroder Global Equity Component Fund Class X Accumulation GBP†	2,214	iShares MSCI EM UCITS ETF USD Acc#	985
Schroder Multi-Asset Total Return X GBP (Hedged) Acct†	2,142	Schroder Multi-Asset Total Return X GBP (Hedged) Acct†	398
Schroder Prime UK Equity Fund X GBP Acct†	2,048	iShares JP Morgan USD Emerging Markets Bond UCITS#	370
Schroder QEP Global Core Fund X GBP Acct†	1,978	iShares EUR High Yield Corporate Bond UCITS#	273

The 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).

♦Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Discovery Portfolio

### Comparative Table

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class Q - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	111.80	100.00
Return before operating charges*	(9.23)	12.77
Operating charges	(0.68)	(0.97)
Return after operating charges*	(9.91)	11.80
Distributions	(0.91)	(0.49)
Retained distributions on accumulation shares	0.91	0.49
Closing net asset value per share	101.89	111.80
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges^	(8.86)%	11.80%
<b>Other information</b>		
Closing net asset value (£000)	50,334	23,221
Closing number of shares	49,398,903	20,770,734
Operating charges#	0.65%	0.64%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	113.70	113.60
Lowest share price	97.30	98.92

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#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 66 which is sourced from Lipper and based on daily published price.

\*\*The highest and lowest share prices are based on published 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 Q Accumulation was launched on 15th July 2020.



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

as at 30th November 2022

	<b>30/11/22 (p)</b>	<b>30/11/21 (p)</b>
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	112.11	100.00
Return before operating charges*	(9.32)	12.53
Operating charges	(0.32)	(0.42)
Return after operating charges*	(9.64)	12.11
Distributions	(1.18)	(0.75)
Retained distributions on accumulation shares	1.18	0.75
Closing net asset value per share	102.47	112.11
*after direct transaction cost of:	0.00	0.01
<b>Performance</b>		
Return after charges	(8.60)%	12.11%
<b>Other information</b>		
Closing net asset value (£000)	26	13
Closing number of shares	25,536	11,391
Operating charges#	0.30%	0.29%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	114.00	113.90
Lowest share price	97.82	98.99

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published 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 Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 15th July 2020.

## Statement of Total Return

for the year ended 30th November 2022

		01/12/21 to 30/11/22	15/07/20 to 30/11/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(3,340)	677
Revenue	3	586	120
Expenses	4	(210)	(65)
Interest payable and similar charges		(1)	(1)
Net revenue before taxation		375	54
Taxation	5	(31)	-
Net revenue after taxation		344	54
<b>Total return before distributions</b>		<b>(2,996)</b>	<b>731</b>
Distributions	6	(346)	(54)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(3,342)</b>	<b>677</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 30th November 2022

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>23,234</b>	<b>-</b>
Amounts receivable on creation of shares	31,695	23,599
Less: Amounts payable on cancellation of shares	(1,679)	(1,148)
	30,016	22,451
Dilution adjustment	2	3
Change in net assets attributable to shareholders from investment activities	(3,342)	677
Retained distributions on accumulation shares	450	103
<b>Closing net assets attributable to shareholders</b>	<b>50,360</b>	<b>23,234</b>

Notes to the Financial Statements are on pages 74 to 80.

## SPW Discovery Portfolio

### Balance Sheet

as at 30th November 2022

	Notes	30/11/22 £000	30/11/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		49,845	23,884
<b>Current assets</b>			
Debtors	8	704	26
Cash and bank balances	9	47	84
<b>Total assets</b>		<b>50,596</b>	<b>23,994</b>
<b>Liabilities</b>			
Investment liabilities		(8)	(74)
<b>Creditors</b>			
Bank overdrafts		(44)	(124)
Other creditors	10	(184)	(562)
<b>Total liabilities</b>		<b>(236)</b>	<b>(760)</b>
<b>Net assets attributable to shareholders</b>		<b>50,360</b>	<b>23,234</b>

Notes to the Financial Statements are on pages 74 to 80.

## Notes to the Financial Statements

for the year ended 30th November 2022

### 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 10 to 12.

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

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Non-derivative securities	(1,931)	873
Futures contracts	(205)	(21)
Forward currency contracts	(475)	(177)
AMC rebates taken to capital	6	2
Currency losses	(728)	-
Future income bifurcation	(7)	-
Net capital (losses)/gains	(3,340)	677

### 3. Revenue

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Distributions from Regulated Collective Investment Schemes:		
UK dividends	162	57
Interest distributions	97	25
Offshore distributions	320	38
Futures income	7	-
Total revenue	586	120

### 4. Expenses

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
All in charge	210	65
<b>Total expenses</b>	<b>210</b>	<b>65</b>

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £10,500 (30/11/21: £10,000). This is payable by the ACD on behalf of the Fund.

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Corporation tax	31	-

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

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue before taxation	375	54
Corporation tax of 20% (2021: 20%)	75	11
<b>Effects of:</b>		
Non-taxable UK dividends*	(32)	(11)
Overseas non-taxable revenue*	(11)	(2)
Expenses not deductible for tax purposes	1	-
Movement in excess management expenses	(2)	2
Total tax charge for year (note 5a)	31	-

\*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 year or prior period.

**(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 £nil (30/11/21: £2,260) 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:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Final	450	103
Add: Revenue deducted on cancellation of shares	4	1
Deduct: Revenue received on creation of shares	(108)	(50)
Net distribution for the year	346	54

Details of the distributions per share are set out in the Distribution Tables on page 81.

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue after taxation	344	54
Tax charge on rebates taken to capital	2	-
Net distribution for the year	346	54

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**8. Debtors**

	30/11/22 £000	30/11/21 £000
Amounts receivable for issue of shares	602	15
Accrued revenue	24	-
AMC rebates receivable	5	2
Expense capping adjustment receivable	73	9
Total debtors	704	26

**9. Cash and bank balances**

	30/11/22 £000	30/11/21 £000
Cash and bank balances	-	30
Amounts held at futures clearing houses and brokers	47	54
Total cash and bank balances	47	84

**10. Other creditors**

	30/11/22 £000	30/11/21 £000
Purchases awaiting settlement	54	549
Accrued expenses	99	13
Corporation tax payable	31	-
Total other creditors	184	562

**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.

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £33,477 (30/11/21: £7,624) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustment are disclosed in note 4 with £73,256 (30/11/21: £9,024) 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 53,274,566 shares (30/11/21: 32,059,843 shares) with a cost of £54,096,172 (30/11/21: £32,429,563) and sales of 31,458,304 shares (30/11/21: 13,131,356 shares) with sales proceeds of £29,910,898 (30/11/21: £12,729,362).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 40,428,229 shares (30/11/21: 18,928,487 shares) and value of £43,966,783 (30/11/21: £20,436,453) 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 £412,635 (30/11/21: £93,427).

*Shares held by associates of the ACD*

The ACD held 25,536 (30/11/21: 11,391) X accumulation shares, 0.1% (30/11/21: 0.1%) of total shares in issue as at the year end.

**12. Share classes**

The sub-fund has 2 share classes in issue (30/11/21: 2).

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**12. Share classes (continued)**

The All-in Charge on each share class is as follows:

	30/11/22 %
Share Class Q - Accumulation:	0.65
Share Class X - Accumulation:	0.30

The All-in Charge covers the ACD's periodic charge, depositary's fees, operation and administration fees, professional fees and sub advisers' fees. Details of the All-in Charge are as set out in the Prospectus.

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 70 to 71.

The distributions per share class are given in the Distribution Tables on page 81.

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

	01/12/21 Opening shares in issue	Creations	Cancellations	30/11/22 Closing shares in issue
Share Class Q - Accumulation	20,770,734	30,225,299	(1,597,130)	49,398,903
Share Class X - Accumulation	11,391	14,145	-	25,536

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 30th November 2022, the sub-fund had no capital commitments (30/11/21: £nil) and no contingent liabilities (30/11/21: £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 66. 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 Scottish Widows Schroder Wealth Holdings Limited groups 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 30th November 2022, 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 £75,558 (30/11/21: £18,759).

As at 30th November the sub-fund had the following net currency exposure (excluding Sterling):

	Currency exposure 30/11/22 £000	Currency exposure 30/11/21 £000
Currency		
Euro	2,877	606
US dollar	4,678	1,270
Total	7,555	1,876

*(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 Fund's investments may fluctuate depending upon the particular decisions made by each Fund. The 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 overdraft of £42,600 (30/11/21: overdraft £66,167) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

## Notes to the Financial Statements

(continued)

for the year ended 30th November 2022

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

The sub-fund holds net cash at futures brokers of £45,518 (30/11/21: cash £25,590), 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 period, 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 period end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

Financial derivative instrument exposure - fair value	30/11/22 £000	30/11/21 £000
Exchange traded derivatives	15	-
Forward currency contracts	128	1
<b>Total Financial derivative instrument exposure</b>	<b>143</b>	<b>1</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.

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.

Counterparties to financial derivative instruments and efficient portfolio management techniques	30/11/22 £000	30/11/21 £000
Bank of America - Forward currency contracts	(3)	-
BNP Paribas - Forward currency contracts	-	(6)
CitiBank - Forward currency contracts	-	(1)
JPMorgan Bank - Forward currency contracts	(1)	(37)
Lloyds Bank - Forward currency contracts	-	(7)
Morgan Stanley - Forward currency contracts	95	(9)
Royal Bank of Canada - Forward currency contracts	-	(2)
StateStreet Bank - Forward currency contracts	(4)	-
UBS - Forward currency contracts	32	1
Merrill Lynch - Futures contracts	16	(12)
<b>Total counterparty exposure</b>	<b>135</b>	<b>(73)</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	30/11/22 £000	30/11/21 £000
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	47	54
EUR Cash - Merrill Lynch	-	(10)
USD Cash - Merrill Lynch	(1)	(18)



for the year ended 30th November 2022

**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. 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 30th November 2022, 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 £49,837 (30/11/21: £238,100).

*(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 30th November, 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.

	30/11/22	30/11/21
	%	%
Gross leverage	130.23	130.46
Commitment leverage	3.88	2.93

*(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 30th November 2022

## 15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Collective Investment Schemes	61,723	37,350	34,384	14,434
<b>Commissions</b>				
Futures	1	1	(1)	(1)
<b>Taxes</b>				
Collective Investment Schemes~	-	0	-	-
<b>Total Taxes and other expenses</b>	1	1	(1)	(1)
<b>Total net trades in the year</b>	61,724	37,351	34,383	14,433

~The market value of holdings is less than £500 and is therefore rounded down to £0.

## Total transaction cost expressed as a percentage of asset class trades

	Purchases		Sales	
	01/12/21 to 30/11/22 %	15/07/20 to 30/11/21 %	01/12/21 to 30/11/22 %	15/07/20 to 30/11/21 %
Collective Investment Schemes	0.00	0.00	0.00	0.00

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

	01/12/21 to 30/11/22 %	15/07/20 to 30/11/21 %
Commissions	0.00	0.02
Taxes and other expenses	-	0.00
<b>Total costs</b>	0.00	0.02

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. 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 0.06% (30/11/21: 0.04%).

## 16. Fair value

Valuation technique	30/11/22		30/11/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	5,750	-	3,447	(12)
Level 2	44,095	(8)	20,437	(62)
Level 3	-	-	-	-
<b>Total fair value</b>	49,845	(8)	23,884	(74)

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 Portfolio

### Distribution Tables

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for the year ended 30th November 2022

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st December 2021

Group 2 Final Shares purchased on or between 1st December 2021 and 30th November 2022

#### Share Class Q - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	0.9103	-	0.9103	0.4933
Group 2	(p)	(p)	(p)	(p)
Final	0.5562	0.3541	0.9103	0.4933

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.1830	-	1.1830	0.7516
Group 2	(p)	(p)	(p)	(p)
Final	1.1378	0.0452	1.1830	0.7516

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

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

Final - 55.00% of the dividend is received as non-taxable income.

Final - 44.97% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 0.03% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Investment Markets Overview

for the year ended 30th November 2022

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 55% MSCI ACWI (Net Total Return) index, 21% 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 directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds to gain exposure to equities, bonds 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 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:

Bonds 0% – 25%

Equities 60% – 95%

Alternative investments 0% – 25%

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 invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates.

The Fund maintains a higher overall sustainability score than that of its composite benchmark, based on the Investment Adviser's sustainability rating system. The Investment Adviser aims to select actively managed collective investment schemes or other funds which deliver a superior sustainability score than their respective benchmark, however, individual securities held in these funds' portfolios may not necessarily have positive environmental, social or governance characteristics. More details on the sustainability rating system used to achieve this can be found in the Fund Characteristics section.

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 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 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.

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 30th November 2022.	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 30th November 2022

**Investment Review**

Performance	01/12/21 to 30/11/22 %	15/07/20 to 30/11/21 %
SPW Dynamic Portfolio Q Accumulation	-2.42	24.00

Source: Lipper for SPW Dynamic Portfolio. Basis: Net revenue reinvested and net of expenses.

On 15th July 2020 SPW Dynamic Portfolio was launched with Share Classes Q Accumulation and X Accumulation.

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 -0.7% in the 12 months to 30 November 2022. The benchmark returned -0.5% in the same period.

Global equities posted strong returns at the end of 2021 as investors focused on the resilience of the global economy and good earnings figures from companies. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. This contributed to a further surge in inflation as well as disruption to the production and transport of goods worldwide.

Shares remained under pressure in the spring and summer of 2022, due to investor expectations of interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened investor sentiment. Shares made positive returns in November, with emerging market equities outperforming their developed market counterparts. Gains came amid hopes US inflation may have already peaked, paving the way for the pace of interest rate rises to slow. Further support for shares came from signs of China loosening its strict Covid rules, which have weighed on economic activity.

Turning now to fixed income, there were positive returns for bonds from companies in the 12-month period. This was led by higher risk (high yield) emerging markets corporate bonds, along with US and sterling high-quality (investment grade) bonds from companies.

Regarding government bonds, the yield on US Treasuries with 10-year expiry dates rose from 1.45% to 3.61%, while the yield on two-year US Treasuries rose from 0.57% to 4.34% (bond yields rise when bond prices fall). The UK 10-year yield increased from 0.81 per cent to 3.16% and the two-year yield from 0.48% to 3.26%. The German 10-year yield rose from a negative yield of -0.35% to 1.93%.

In the property market, following a strong start to 2022, sentiment towards the sector weakened as inflation accelerated and growth forecasts were downgraded. We expect that many investors will now take a wait-and-see approach until there is greater certainty on the outlook for inflation, interest rates and the economy. Many rents are index-linked, so higher inflation should feed through to rents, but the slowdown in economic growth could cut demand for space.

Schroder Investment Management Limited  
January 2023

# SPW Dynamic Portfolio

## Portfolio Statement

as at 30th November 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (100.15%, 30/11/21 100.19%)</b>			
<b>Collective Investment Schemes</b>			
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct	842,869	437	4.03
Schroder Global Equity Component Fund X GBP Acct	660,243	530	4.89
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct	440,860	210	1.94
Schroder International Selection Fund Global Corporate Bond I USD Acct	36,191	436	4.02
Schroder International Selection Fund Global Equity I USD Acct	39,309	1,597	14.74
Schroder International Selection Fund Global High Yield I USD Acct	2,007	99	0.91
Schroder Prime UK Equity Fund X GBP Acct	1,545,187	2,026	18.70
Schroder QEP Global Core Fund X GBP Acct	575,009	1,251	11.55
Schroder Sterling Liquidity Fund X Inc†	357,250	357	3.30
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct	2,672,377	1,786	16.48
		8,729	80.56
<b>Exchange Traded Funds</b>			
iShares Core EURO STOXX 50 UCITS Acc	608	72	0.67
iShares JP Morgan USD Emerging Markets Bond UCITS Inc	1,577	111	1.02
iShares MSCI EM UCITS ETF USD Acc	2,808	78	0.72
iShares USD High Yield Corporate Bond UCITS Inc	1,430	107	0.99
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc	5,034	112	1.03
Lyxor FTSE Epra/Nareit Global Developed UCITS Inc	15,267	538	4.97
Structured Investments SICAV GSQuartix Modified Strategy on the Bloomberg Commodity Index	20,343	301	2.78
TotalReturn R3 GBP Acc			
Vanguard FTSE 100 UCITS GBP Acc	10,869	388	3.58
Vanguard FTSE Japan UCITS USD Acc	1,880	40	0.37
Vanguard S&P 500 UCITS USD Acc	6,119	375	3.46
		2,122	19.59
<b>TOTAL FINANCIALS</b>		<b>10,851</b>	<b>100.15</b>
<b>DERIVATIVES (0.10%, 30/11/21 -0.06%)</b>			
<b>Forward Currency Contracts</b>			
Bought AUD35,000 for GBP19,542 Settlement 25/01/2023~		0	0.00
Bought CAD15,000 for GBP9,415 Settlement 26/01/2023~		0	0.00
Bought CHF19,000 for GBP16,870 Settlement 26/01/2023~		0	0.00
Bought EUR208,000 for GBP180,412 Settlement 26/01/2023		(1)	(0.01)
Sold USD276,500 for GBP231,914 Settlement 26/01/2023		2	0.02
Sold USD138,250 for GBP115,725 Settlement 26/01/2023		1	0.01
Sold USD138,250 for GBP115,892 Settlement 26/01/2023		1	0.01
		3	0.03

**Portfolio Statement**

(continued)

as at 30th November 2022

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
MSCI Emerging Markets Index Futures December 2022	4	7	0.06
SP500 MIC EMIN FUT Futures December 2022	(9)	1	0.01
		8	0.07
<b>TOTAL DERIVATIVES</b>		<b>11</b>	<b>0.10</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>10,862</b>	<b>100.25</b>
<b>Net other liabilities</b>		<b>(27)</b>	<b>(0.25)</b>
<b>Total net assets</b>		<b>10,835</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 10).

<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 30th November 2022

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc† ♦	5,728	Schroder Sterling Liquidity Fund X Inc† ♦	5,718
Schroder Prime UK Equity Fund X GBP Acct†	1,167	Vanguard S&P 500 UCITS USD Acc#	1,063
Schroder ISF Global Equity Fund X GBP Acct†	1,144	Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	491
Schroder Sustainable Multi - Factor Equity Fund X GBP Acct†	1,096	iShares MSCI EM UCITS ETF USD Acc#	474
Vanguard S&P 500 UCITS USD Acc#	980	Schroder Sustainable Multi - Factor Equity Fund X GBP Acct†	448
Schroder QEP Global Core Fund X GBP Acct†	737	Schroder QEP Global Core Fund X GBP Acct†	379
		Schroder Global Sovereign Bond Tracker Component Fund X	
Schroder Global Equity Component Fund X GBP Acct†	581	GBP Acct†	346
Schroder ISF Global Corporate Bond Fund X GBP Acct†	469	Schroder Prime UK Equity Fund X GBP Acct†	337
Schroder Global Sovereign Bond Tracker Component Fund X		Schroder Global Corporate Bond Managed Credit	
GBP Acct†	449	Component Fund X GBP Acct†	224
iShares MSCI EM UCITS ETF USD Acc#	369	Schroder ISF Global Equity Fund X GBP Acct†	117

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

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

♦Asset managed by the Investment Adviser.

#Exchange Traded Fund.



**Comparative Table**

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class Q - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	123.96	100.00
Return before operating charges*	(2.23)	25.01
Operating charges	(0.79)	(1.05)
Return after operating charges*	(3.02)	23.96
Distributions	(1.18)	(0.72)
Retained distributions on accumulation shares	1.18	0.72
Closing net asset value per share	120.94	123.96
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges^	(2.44)%	23.96%
<b>Other information</b>		
Closing net asset value (£000)	10,452	4,981
Closing number of shares	8,641,621	4,018,382
Operating charges#	0.65%	0.64%
Direct transaction costs	0.01%	0.01%
<b>Prices**</b>		
Highest share price	127.90	127.40
Lowest share price	114.80	96.50

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#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 83 which is sourced from Lipper and based on daily published price.

\*\*The highest and lowest share prices are based on published 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 Q Accumulation was launched on 15th July 2020.

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

as at 30th November 2022

	<b>30/11/22 (p)</b>	<b>30/11/21 (p)</b>
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	124.47	100.00
Return before operating charges*	(2.23)	24.92
Operating charges	(0.38)	(0.45)
Return after operating charges*	(2.61)	24.47
Distributions	(1.63)	(1.18)
Retained distributions on accumulation shares	1.63	1.18
Closing net asset value per share	121.86	124.47
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges	(2.10)%	24.47%
<b>Other information</b>		
Closing net asset value (£000)	383	1,380
Closing number of shares	314,610	1,109,001
Operating charges#	0.30%	0.29%
Direct transaction costs	0.01%	0.01%
<b>Prices**</b>		
Highest share price	128.40	127.90
Lowest share price	115.60	96.53

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published 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 Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 15th July 2020.

**Statement of Total Return**

for the year ended 30th November 2022

		01/12/21 to 30/11/22	15/07/20 to 30/11/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(283)	431
Revenue	3	144	50
Expenses	4	(48)	(16)
Interest payable and similar charges		-	-
Net revenue before taxation		96	34
Taxation	5	-	-
Net revenue after taxation		96	34
<b>Total return before distributions</b>		<b>(187)</b>	<b>465</b>
Distributions	6	(96)	(34)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(283)</b>	<b>431</b>

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

for the year ended 30th November 2022

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>6,361</b>	<b>-</b>
Amounts receivable on creation of shares	6,121	5,906
Less: Amounts payable on cancellation of shares	(1,473)	(19)
	4,648	5,887
Dilution adjustment	2	1
Change in net assets attributable to shareholders from investment activities	(283)	431
Retained distributions on accumulation shares	107	42
<b>Closing net assets attributable to shareholders</b>	<b>10,835</b>	<b>6,361</b>

Notes to the Financial Statements are on pages 91 to 97.

**Balance Sheet**

as at 30th November 2022

	Notes	30/11/22 £000	30/11/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		10,863	6,374
<b>Current assets</b>			
Debtors	7	78	142
Cash and bank balances	8	40	19
<b>Total assets</b>		<b>10,981</b>	<b>6,535</b>
<b>Liabilities</b>			
Investment liabilities		(1)	(5)
<b>Creditors</b>			
Bank overdrafts		(3)	(6)
Other creditors	9	(142)	(163)
<b>Total liabilities</b>		<b>(146)</b>	<b>(174)</b>
<b>Net assets attributable to shareholders</b>		<b>10,835</b>	<b>6,361</b>

*Notes to the Financial Statements are on pages 91 to 97.*

## Notes to the Financial Statements

for the year ended 30th November 2022

### 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 10 to 12.

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

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Non-derivative securities	(230)	421
Futures contracts	(65)	4
Forward currency contracts	30	3
AMC rebates taken to capital	2	1
Currency (losses)/gains	(20)	2
Net capital (losses)/gains	(283)	431

### 3. Revenue

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Distributions from Regulated Collective Investment Schemes:		
UK dividends	91	40
Interest distributions	6	2
Offshore distributions	47	8
Total revenue	144	50

### 4. Expenses

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
All in charge	48	16
<b>Total expenses</b>	<b>48</b>	<b>16</b>

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £10,500 (30/11/21: £10,000). This is payable by the ACD on behalf of the Fund.

### 5. Taxation

#### (a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior period.

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**5. Taxation (continued)****(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue before taxation	96	34
Corporation tax of 20% (2021: 20%)	19	7
<b>Effects of:</b>		
Non-taxable UK dividends*	(18)	(8)
Overseas non-taxable revenue*	(6)	(1)
Movement in excess management expenses	5	2
Total tax charge for year (note 5a)	-	-

\*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 year or prior period.

**(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 £7,027 (30/11/21: £2,218) 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:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Final	107	42
Add: Revenue deducted on cancellation of shares	2	-
Deduct: Revenue received on creation of shares	(13)	(8)
Net distribution for the year	96	34

Details of the distributions per share are set out in the Distribution Tables on page 98.

**7. Debtors**

	30/11/22 £000	30/11/21 £000
Sales awaiting settlement	-	36
Amounts receivable for issue of shares	-	100
Accrued revenue	3	-
AMC rebates receivable	2	1
Expense capping adjustment receivable	73	5
Total debtors	78	142

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**8. Cash and bank balances**

	30/11/22 £000	30/11/21 £000
Cash and bank balances	23	5
Amounts held at futures clearing houses and brokers	17	14
Total cash and bank balances	40	19

**9. Other creditors**

	30/11/22 £000	30/11/21 £000
Purchases awaiting settlement	-	160
Amounts payable for cancellation of shares	68	-
Accrued expenses	74	3
Total other creditors	142	163

**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 investments, which amount to £0 (30/11/21: £0).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £16,840 (30/11/21: £1,761) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustment are disclosed in note 4 with £72,535 (30/11/21: £5,432) 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 10,286,025 shares (30/11/21: 8,437,999 shares) with a cost of £11,372,089 (30/11/21: £8,292,713) and sales of 7,903,860 shares (30/11/21: 4,144,979 shares) with sales proceeds of £7,567,798 (30/11/21: £3,869,537).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 7,171,302 shares (30/11/21: 4,293,020 shares) and value of £8,728,844 (30/11/21: £4,759,667) 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 £117,646 (30/11/21: £43,890).

*Shares held by associates of the ACD*

The ACD held 314,610 (30/11/21: 110,001) X accumulation shares, 3.5% (30/11/21: 2.1%) of total shares in issue and Schroders plc held nil (30/11/21: 1,000,000) Q accumulation shares and nil (30/11/21: 999,000,000) X accumulation shares, 0.0% (30/11/21: 19.5%) of total shares in issue as at the year end.

**11. Share classes**

The sub-fund has 2 share classes in issue (30/11/21: 2).

The All-in Charge on each share class is as follows:

	30/11/22 %
Share Class Q - Accumulation:	0.65
Share Class X - Accumulation:	0.30

The All-in Charge covers the ACD's periodic charge, depositary's fees, operation and administration fees, professional fees and sub advisers' fees. Details of the All-in Charge are as set out in the Prospectus.

## Notes to the Financial Statements

(continued)

for the year ended 30th November 2022

**11. Share classes (continued)**

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 87 to 88.

The distributions per share class are given in the Distribution Tables on page 98.

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

	01/12/21 Opening shares in issue	Creations	Cancellations	30/11/22 Closing shares in issue
Share Class Q - Accumulation	4,018,382	4,803,707	(180,468)	8,641,621
Share Class X - Accumulation	1,109,001	214,535	(1,008,926)	314,610

**12. Capital commitments and contingent liabilities**

On 30th November 2022, the sub-fund had no capital commitments (30/11/21: £nil) and no contingent liabilities (30/11/21: £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 83. 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 Scottish Widows Schroder Wealth Holdings Limited groups 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 30th November 2022, 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 £29,249 (30/11/21: £14,470).

As at 30th November the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/11/22 £000	Currency exposure 30/11/21 £000
Australian dollar	20	-
Canadian dollar	9	-
Euro	790	249
Swiss franc	17	-
US dollar	2,089	1,198
Total	2,925	1,447

*(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 Fund's investments may fluctuate depending upon the particular decisions made by each Fund. The 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 £23,125 (30/11/21: holding £4,980) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £14,278 (30/11/21: cash £7,758), 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.



## Notes to the Financial Statements

(continued)

for the year ended 30th November 2022

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

During the period, 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 period end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

<b>Financial derivative instrument exposure - fair value</b>	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	8	-
Forward currency contracts	4	1
<b>Total Financial derivative instrument exposure</b>	<b>12</b>	<b>1</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.

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.

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

	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Bank of America - Forward currency contracts	(1)	-
Morgan Stanley - Forward currency contracts	3	(2)
State Street Bank - Forward currency contracts	-	1
UBS - Forward currency contracts	1	-
Merrill Lynch - Futures contracts	8	(3)
<b>Total counterparty exposure</b>	<b>11</b>	<b>(4)</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.

<b>Collateral</b>	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	17	14
EUR Cash - Merrill Lynch	-	(3)
USD Cash - Merrill Lynch	(3)	(3)

*(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 30th November 2022

**13. 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. 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 30th November 2022, 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 £108,512 (30/11/21: £63,688).

*(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 30th November, 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.

	30/11/22	30/11/21
	%	%
Gross leverage	105.75	105.74
Commitment leverage	4.94	1.29

*(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.

**14. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000	£000	£000
Collective Investment Schemes	14,719	10,500	10,128	4,593
<b>Commissions</b>				
Futures~	0	0	0	0
<b>Taxes</b>				
Collective Investment Schemes~	0	0	0	0
Total costs	-	-	-	-
<b>Total net trades in the year after transaction costs</b>	14,719	10,500	10,128	4,593

~The market value of holdings is less than £500 and is therefore rounded down to £0.

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**14. Portfolio transaction costs (continued)****Total transaction cost expressed as a percentage of asset class trades**

	Purchases		Sales	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%	%	%
Collective Investment Schemes	0.01	0.00	(0.01)	0.00

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

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%
Commissions	0.01	0.01
Taxes	0.00	0.00
Total costs	0.01	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. 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. 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 0.07% (30/11/21: 0.06%).

**15. Fair value**

Valuation technique	30/11/22		30/11/21	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	2,129	-	1,614	(3)
Level 2	8,734	(1)	4,760	(2)
Level 3	-	-	-	-
Total fair value	10,863	(1)	6,374	(5)

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 30th November 2022

**Distribution in pence per share**

Group 1 Final Shares purchased prior to 1st December 2021

Group 2 Final Shares purchased on or between 1st December 2021 and 30th November 2022

**Share Class Q - Accumulation**

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.1833	-	1.1833	0.7189
Group 2	(p)	(p)	(p)	(p)
Final	0.9022	0.2811	1.1833	0.7189

**Share Class X - Accumulation**

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.6251	-	1.6251	1.1787
Group 2	(p)	(p)	(p)	(p)
Final	1.3348	0.2903	1.6251	1.1787

**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.

Investment Markets Overview

for the year ended 30th November 2022

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 47% MSCI ACWI (Net Total Return) index, 18% 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 is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds to gain exposure to equities, bonds 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 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:

Bonds 0% – 35%

Equities 50% – 80%

Alternative investments 0% – 25%

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 invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates.

The Fund maintains a higher overall sustainability score than that of its composite benchmark, based on the Investment Adviser's sustainability rating system. The Investment Adviser aims to select actively managed collective investment schemes or other funds which deliver a superior sustainability score than their respective benchmark, however, individual securities held in these funds' portfolios may not necessarily have positive environmental, social or governance characteristics. More details on the sustainability rating system used to achieve this can be found in the Fund Characteristics section.

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 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 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.

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 30th November 2022.								
	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 30th November 2022

**Investment Review**

<b>Performance</b>	<b>01/12/21 to 30/11/22 %</b>	<b>15/07/20 to 30/11/21 %</b>
SPW Progressive Portfolio Q Accumulation	-3.62	21.60

Source: Lipper for SPW Progressive Portfolio. Basis: Net revenue reinvested and net of expenses.

On 15th July 2020 SPW Progressive Portfolio was launched with Share Classes Q Accumulation and X Accumulation.

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 -2.1% in the 12 months to 30 November 2022. The benchmark returned -1.5% in the same period.

Global equities posted strong returns at the end of 2021 as investors focused on the resilience of the global economy and good earnings figures from companies. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. This contributed to a further surge in inflation as well as disruption to the production and transport of goods worldwide.

Shares remained under pressure in the spring and summer of 2022, due to investor expectations of interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened investor sentiment. Shares made positive returns in November, with emerging market equities outperforming their developed market counterparts. Gains came amid hopes US inflation may have already peaked, paving the way for the pace of interest rate rises to slow. Further support for shares came from signs of China loosening its strict Covid rules, which have weighed on economic activity.

Turning now to fixed income, there were positive returns for bonds from companies in the 12-month period. This was led by higher risk (high yield) emerging markets corporate bonds, along with US and sterling high-quality (investment grade) bonds from companies.

Regarding government bonds, the yield on US Treasuries with 10-year expiry dates rose from 1.45% to 3.61%, while the yield on two-year US Treasuries rose from 0.57% to 4.34% (bond yields rise when bond prices fall). The UK 10-year yield increased from 0.81% to 3.16% and the two-year yield from 0.48% to 3.26%. The German 10-year yield rose from a negative yield of -0.35% to 1.93%.

In the property market, following a strong start to 2022, sentiment towards the sector weakened as inflation accelerated and growth forecasts were downgraded. We expect that many investors will now take a wait-and-see approach until there is greater certainty on the outlook for inflation, interest rates and the economy. Many rents are index-linked, so higher inflation should feed through to rents, but the slowdown in economic growth could cut demand for space.

Schroder Investment Management Limited  
January 2023

# SPW Progressive Portfolio

## Portfolio Statement

as at 30th November 2022

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.36%, 30/11/21 101.18%)</b>			
<b>Collective Investment Schemes</b>			
Schroder Global Corporate Bond Managed Credit Component Fund X GBP Acct	4,480,195	2,321	6.43
Schroder Global Equity Component Fund X GBP Acct	2,091,525	1,678	4.65
Schroder Global Sovereign Bond Tracker Component Fund X GBP Acct	1,865,719	889	2.46
Schroder International Selection Fund Global Corporate Bond I USD Acct	190,235	2,290	6.34
Schroder International Selection Fund Global Equity I USD Acct	123,377	5,013	13.89
Schroder International Selection Fund Global High Yield I USD Acct	10,709	530	1.47
Schroder Multi-Asset Total Return I USD Acct	14,804	1,430	3.96
Schroder Prime UK Equity Fund X GBP Acct	4,801,750	6,295	17.44
Schroder QEP Global Core Fund X GBP Acct	1,829,370	3,981	11.03
Schroder Sterling Liquidity Fund X Inc†	1,586,330	1,586	4.39
Schroder Sustainable Multi-Factor Equity Fund X GBP Acct	8,317,053	5,559	15.40
		31,572	87.46
<b>Exchange Traded Funds</b>			
iShares JP Morgan USD Emerging Markets Bond UCITS Inc	7,765	548	1.52
iShares USD High Yield Corporate Bond UCITS Inc	4,924	368	1.02
Lyxor Commodities Refinitiv/Core Commodity CRB TR UCITS Acc	17,666	392	1.08
Lyxor FTSE Epra/Nareit Global Developed UCITS Inc	49,726	1,752	4.85
Structured Investments SICAV GSQuartix Modified Strategy on the Bloomberg Commodity Index	70,920	1,049	2.91
TotalReturn R3 GBP Acc			
Vanguard FTSE 100 UCITS GBP Acc	5,250	187	0.52
		4,296	11.90
<b>TOTAL FINANCIALS</b>		<b>35,868</b>	<b>99.36</b>
<b>DERIVATIVES (0.14%, 30/11/21 -0.12%)</b>			
<b>Forward Currency Contracts</b>			
Bought AUD62,000 for GBP34,616 Settlement 25/01/2023~		0	0.00
Bought CHF38,000 for GBP33,740 Settlement 26/01/2023~		0	0.00
Bought EUR787,000 for GBP682,616 Settlement 26/01/2023		(2)	0.00
Bought USD435,000 for GBP360,066 Settlement 26/01/2023		1	0.00
Bought USD124,000 for GBP102,810 Settlement 26/01/2023~		0	0.00
Sold USD2,323,000 for GBP1,948,417 Settlement 26/01/2023		18	0.05
Sold USD1,161,500 for GBP973,661 Settlement 26/01/2023		8	0.02
Sold USD1,161,500 for GBP972,258 Settlement 26/01/2023		7	0.02
Sold USD608,000 for GBP506,947 Settlement 26/01/2023		2	0.01
Sold USD545,000 for GBP450,442 Settlement 26/01/2023		(2)	(0.01)
		32	0.09

**Portfolio Statement**

(continued)

as at 30th November 2022

	<b>Holdings</b>	<b>Market Value £000</b>	<b>Total Net Assets %</b>
<b>Futures Contracts</b>			
MSCI Emerging Markets Index Futures December 2022	14	17	0.05
S&P 500 E Mini Index Futures December 2022	(3)	2	0.00
		19	0.05
<b>TOTAL DERIVATIVES</b>		<b>51</b>	<b>0.14</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>35,919</b>	<b>99.50</b>
<b>Net other assets</b>		<b>179</b>	<b>0.50</b>
<b>Total net assets</b>		<b>36,098</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 10).

<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.



## SPW Progressive Portfolio

### Material Portfolio Changes

for the year ended 30th November 2022

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†	20,125	Schroder Sterling Liquidity Fund X Inc†	19,306
Schroder Sustainable Multi Factor Equity Fund X Acct†	4,621	Vanguard S&P 500 UCITS#	1,889
		Schroder Global Corporate Bond Managed Credit Component Fund X Acct†	1,342
Schroder ISF Global Equity Fund X Acct†	4,430	iShares MSCI EM UCITS ETF USD Acc#	1,122
Schroder Prime UK Equity Fund X Acct†	4,378	Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc#	1,091
Schroder QEP Global Core Fund X Acct†	3,035		
Schroder Global Corporate Bond Managed Credit Component Fund X Acct†	2,811	Schroder Sustainable Multi Factor Equity Fund X Acct†	852
		Schroder Global Sovereign Bond Tracker Component Fund X Acct†	829
Schroder ISF Global Corporate Bond Fund X Acct†	2,345	Schroder QEP Global Core Fund X Acct†	286
Schroder Global Equity Component Fund X Acct†	1,690		
Schroder Global Sovereign Bond Tracker Component Fund X Acct†	1,553	iShares JPMorgan USD EM Bond UCITS#	279
Lyxor FTSE EPRA/NAREIT Global Developed UCITS#	1,441	iShares Core EURO STOXX 50 UCITS#	277

The 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).

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Progressive Portfolio

### Comparative Table

as at 30th November 2022

	30/11/22 (p)	30/11/21 (p)
<b>Share Class Q - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	121.56	100.00
Return before operating charges*	(3.67)	22.59
Operating charges	(0.76)	(1.03)
Return after operating charges*	(4.43)	21.56
Distributions	(1.04)	(0.76)
Retained distributions on accumulation shares	1.04	0.76
Closing net asset value per share	117.13	121.56
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges^	(3.64)%	21.56%
<b>Other information</b>		
Closing net asset value (£000)	35,790	10,296
Closing number of shares	30,555,132	8,470,385
Operating charges#	0.65%	0.64%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	124.90	124.70
Lowest share price	111.40	96.99

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#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 100 which is sourced from Lipper and based on daily published price.

\*\*The highest and lowest share prices are based on published 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 Q Accumulation was launched on 15th July 2020.

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

as at 30th November 2022

	<b>30/11/22 (p)</b>	<b>30/11/21 (p)</b>
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	122.16	100.00
Return before operating charges*	(3.68)	22.60
Operating charges	(0.36)	(0.44)
Return after operating charges*	(4.04)	22.16
Distributions	(1.46)	(1.24)
Retained distributions on accumulation shares	1.46	1.24
Closing net asset value per share	118.12	122.16
*after direct transaction cost of:	0.01	0.01
<b>Performance</b>		
Return after charges	(3.31)%	22.16%
<b>Other information</b>		
Closing net asset value (£000)	308	84
Closing number of shares	260,986	68,608
Operating charges#	0.30%	0.29%
Direct transaction costs	0.00%	0.01%
<b>Prices**</b>		
Highest share price	125.60	125.30
Lowest share price	112.30	97.07

~Direct transaction costs are stated after deducting the proportion of the amounts collected from dilution adjustments that relate to direct transaction costs as permitted by the SORP.

#Operating charges are representative of the ongoing charges figure.

\*\*The highest and lowest share prices are based on published 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 Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 15th July 2020.

**Statement of Total Return**

for the year ended 30th November 2022

		01/12/21 to 30/11/22	15/07/20 to 30/11/21
	Notes	£000	£000
Income			
Net capital (losses)/gains	2	(1,004)	797
Revenue	3	392	87
Expenses	4	(135)	(34)
Interest payable and similar charges		-	-
Net revenue before taxation		257	53
Taxation	5	-	-
Net revenue after taxation		257	53
<b>Total return before distributions</b>		<b>(747)</b>	<b>850</b>
Distributions	6	(256)	(53)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>(1,003)</b>	<b>797</b>

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

for the year ended 30th November 2022

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>10,380</b>	<b>-</b>
Amounts receivable on creation of shares	27,281	10,893
Less: Amounts payable on cancellation of shares	(884)	(1,377)
	26,397	9,516
Dilution adjustment	2	2
Change in net assets attributable to shareholders from investment activities	(1,003)	797
Retained distributions on accumulation shares	322	65
<b>Closing net assets attributable to shareholders</b>	<b>36,098</b>	<b>10,380</b>

Notes to the Financial Statements are on pages 108 to 114.

# SPW Progressive Portfolio

## Balance Sheet

as at 30th November 2022

	Notes	30/11/22 £000	30/11/21 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments		35,923	10,503
<b>Current assets</b>			
Debtors	7	1,302	1,281
Cash and bank balances	8	81	184
<b>Total assets</b>		<b>37,306</b>	<b>11,968</b>
<b>Liabilities</b>			
Investment liabilities		(4)	(13)
<b>Creditors</b>			
Bank overdrafts		(14)	(13)
Other creditors	9	(1,190)	(1,562)
<b>Total liabilities</b>		<b>(1,208)</b>	<b>(1,588)</b>
<b>Net assets attributable to shareholders</b>		<b>36,098</b>	<b>10,380</b>

Notes to the Financial Statements are on pages 108 to 114.

## Notes to the Financial Statements

for the year ended 30th November 2022

### 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 10 to 12.

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

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

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Non-derivative securities	(828)	796
Futures contracts	(96)	2
Forward currency contracts	81	(3)
AMC rebates taken to capital	2	2
Currency losses	(163)	-
Net capital (losses)/gains	(1,004)	797

### 3. Revenue

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Distributions from Regulated Collective Investment Schemes:		
UK dividends	242	64
Interest distributions	32	7
Offshore distributions	116	16
Futures income	2	-
Total revenue	392	87

### 4. Expenses

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
All in charge	135	34
<b>Total expenses</b>	<b>135</b>	<b>34</b>

Expenses include irrecoverable VAT.

The Deloitte LLP audit fee for the year, exclusive of VAT is £10,500 (30/11/21: £10,000). This is payable by the ACD on behalf of the Fund.

### 5. Taxation

#### (a) Analysis of charge in year:

There is no corporation tax charge in the current year or prior period.

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

for the year ended 30th November 2022

**5. Taxation (continued)****(b) Factors affecting total tax charge for the year:**

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2021: 20%). The differences are explained below:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Net revenue before taxation	257	53
Corporation tax of 20% (2021: 20%)	51	11
<b>Effects of:</b>		
Non-taxable UK dividends*	(48)	(13)
Overseas non-taxable revenue*	(11)	(2)
Expenses not deductible for tax purposes	1	-
Movement in excess management expenses	7	4
Total tax charge for year (note 5a)	-	-

\*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 year or prior period.

**(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 £10,502 (30/11/21: £3,783) 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:

	01/12/21 to 30/11/22 £000	15/07/20 to 30/11/21 £000
Final	322	65
Add: Revenue deducted on cancellation of shares	1	16
Deduct: Revenue received on creation of shares	(67)	(28)
Net distribution for the year	256	53

Details of the distributions per share are set out in the Distribution Tables on page 115.

**7. Debtors**

	30/11/22 £000	30/11/21 £000
Sales awaiting settlement	-	866
Amounts receivable for issue of shares	1,210	406
Accrued revenue	14	-
AMC rebates receivable	4	1
Expense capping adjustment receivable	74	8
Total debtors	1,302	1,281

**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**8. Cash and bank balances**

	30/11/22 £000	30/11/21 £000
Cash and bank balances	-	156
Amounts held at futures clearing houses and brokers	81	28
Total cash and bank balances	81	184

**9. Other creditors**

	30/11/22 £000	30/11/21 £000
Purchases awaiting settlement	1,099	322
Amounts payable for cancellation of shares	-	1,234
Accrued expenses	91	6
Total other creditors	1,190	1,562

**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.

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £27,198 (30/11/21: £3,419) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustment are disclosed in note 4 with £73,340 (30/11/21: £7,605) 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 42,447,806 shares (30/11/21: 15,072,441 shares) with a cost of £46,417,479 (30/11/21: £14,236,657) and sales of 24,639,130 shares (30/11/21: 7,270,050 shares) with sales proceeds of £22,765,376 (30/11/21: £6,613,473).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 25,311,067 shares (30/11/21: 5,137,365 shares) and value of £31,571,799 (30/11/21: £6,419,126) 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 £330,624 (30/11/21: £74,735).

*Shares held by associates of the ACD*

The ACD held 260,986 (30/11/21: 68,608) X accumulation shares, 0.8% (30/11/21: 0.8%) of total shares in issue as at the year end.

**11. Share classes**

The sub-fund has 2 share classes in issue (30/11/21: 2).

The All-in Charge on each share class is as follows:

	30/11/22 %
Share Class Q - Accumulation:	0.65
Share Class X - Accumulation:	0.30

The All-in Charge covers the ACD's periodic charge, depositary's fees, operation and administration fees, professional fees and sub advisers' fees. Details of the All-in Charge are as set out in the Prospectus.

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 104 to 105.

The distributions per share class are given in the Distribution Tables on page 115.



**Notes to the Financial Statements**

(continued)

for the year ended 30th November 2022

**11. Share classes (continued)****Reconciliation of the shares movement in the year:**

	01/12/21 Opening shares in issue	Creations	Cancellations	30/11/22 Closing shares in issue
Share Class Q - Accumulation	8,470,385	22,780,257	(695,510)	30,555,132
Share Class X - Accumulation	68,608	229,972	(37,594)	260,986

There are no conversions in the year to report.

**12. Capital commitments and contingent liabilities**

On 30th November 2022, the sub-fund had no capital commitments (30/11/21: £nil) and no contingent liabilities (30/11/21: £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 100. 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 Scottish Widows Schroder Wealth Holdings Limited groups 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 30th November 2022, 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 £85,168 (30/11/21: £20,598).

As at 30th November the sub-fund had the following net currency exposure (excluding Sterling):

Currency	Currency exposure 30/11/22 £000	Currency exposure 30/11/21 £000
Australian dollar	35	-
Euro	2,432	377
Swiss franc	34	-
US dollar	6,016	1,683
Total	8,517	2,060

*(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 overdraft of £14,165 (30/11/21: holding £155,157) is held in a floating rate deposit account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £81,135 (30/11/21: cash £15,342), 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 period, 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 30th November 2022

**13. Risk management policies, 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 period end, as use of derivatives is not significant, no sensitivity analysis or value at risk disclosure has been shown.

<b>Financial derivative instrument exposure - fair value</b>	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	19	-
Forward currency contracts	36	1
<b>Total Financial derivative instrument exposure</b>	<b>55</b>	<b>1</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.

<b>Counterparties to financial derivative instruments and efficient portfolio management techniques</b>	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Bank of America - Forward currency contracts	(2)	-
JPMorgan Bank - Forward currency contracts	(1)	(2)
Lloyds Bank - Forward currency contracts	-	(1)
Morgan Stanley - Forward currency contracts	25	(3)
UBS - Forward currency contracts	10	-
Merrill Lynch - Futures contracts	19	(6)
<b>Total counterparty exposure</b>	<b>51</b>	<b>(12)</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>	<b>30/11/22</b>	<b>30/11/21</b>
	<b>£000</b>	<b>£000</b>
Broker cash balances to increase/(reduce) counterparty exposure:		
GBP Cash - Merrill Lynch	79	28
EUR Cash - Merrill Lynch	-	(6)
USD Cash - Merrill Lynch	2	(7)

**(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. 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 30th November 2022

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

As at 30th November 2022, 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 £358,683 (30/11/21: £104,902).

	30/11/22	30/11/21
	%	%
Gross leverage	116.81	110.08
Commitment leverage	5.02	5.17

**(f) 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	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	£000	£000	£000	£000
Collective Investment Schemes	53,681	17,445	27,793	7,814
<b>Commissions</b>				
Futures~	1	0	(1)	0
<b>Taxes</b>				
Collective Investment Schemes~	0	0	0	0
<b>Total Taxes and other expenses</b>	1	-	(1)	-
<b>Total net trades in the year</b>	53,682	17,445	27,792	7,814

~The market value of holdings is less than £500 and is therefore rounded down to £0.

**Total transaction cost expressed as a percentage of asset class trades**

	Purchases		Sales	
	01/12/21 to 30/11/22	15/07/20 to 30/11/21	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%	%	%
Collective Investment Schemes	0.00	0.00	0.00	0.00

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

	01/12/21 to 30/11/22	15/07/20 to 30/11/21
	%	%
Commissions	0.00	0.01
Taxes and other expenses	0.00	0.00
<b>Total costs</b>	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. 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 0.07% (30/11/21: 0.06%).

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

for the year ended 30th November 2022

**15. Fair value**

<b>Valuation technique</b>	<b>30/11/22</b>		<b>30/11/21</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	4,315	-	2,224	(6)
Level 2	31,608	(4)	8,279	(7)
Level 3	-	-	-	-
Total fair value	35,923	(4)	10,503	(13)

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 Progressive Portfolio

### Distribution Tables

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for the year ended 30th November 2022

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st December 2021

Group 2 Final Shares purchased on or between 1st December 2021 and 30th November 2022

#### Share Class Q - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.0427	-	1.0427	0.7586
Group 2	(p)	(p)	(p)	(p)
Final	0.7458	0.2969	1.0427	0.7586

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/01/2023	Distribution paid to 31/01/2022
Group 1	(p)	(p)	(p)	(p)
Final	1.4613	-	1.4613	1.2366
Group 2	(p)	(p)	(p)	(p)
Final	1.2685	0.1928	1.4613	1.2366

#### 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 Fund Company (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: <https://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 UCITS schemes which comply 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/7sSCE5VvcwYWg3D1JQhknz/8fde906c7132d2ff2e22e5d78491c2d7/Assessment\\_of\\_Value\\_Document\\_V7.pdf](https://assets.ctfassets.net/l7z7tzydh3um/7sSCE5VvcwYWg3D1JQhknz/8fde906c7132d2ff2e22e5d78491c2d7/Assessment_of_Value_Document_V7.pdf)

### Shares

The Company currently offers two share classes; 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 30th November 2022 (as noted on page 2). 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 advisors 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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