



# SPW Investment Portfolio ICVC

Annual Long Report for the year  
ended 31<sup>st</sup> October 2021

[spw.com](https://spw.com)

**Schroders**  
personalwealth

# SPW Investment Portfolio ICVC

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## The Company and Head Office

SPW Investment Portfolio ICVC  
1 London Wall  
London  
EC2Y 5EB

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

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

Scottish Widows Schroder Personal Wealth (ACD) Limited

*Registered Office:*

25 Gresham Street  
London  
EC2V 7HN

*Correspondence Address:*

PO Box 560  
Darlington  
DL1 9ZB

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

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## Investment Adviser\*

Schroder Investment Management Limited

*Registered Office:*

1 London Wall Place  
London  
EC2Y 5AU

*Correspondence Address:*

1 London Wall Place  
London  
EC2Y 5AU

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

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## Depositary\*

State Street Trustees Limited

*Registered Office:*

20 Churchill Place  
Canary Wharf  
London  
E14 5HJ

*Correspondence Address:*

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

## 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 Portfolio ICVC (the "Company") covering the year ended 31st October 2021 (the "Report"). The Authorised Corporate Director (the "ACD") and Alternative Investment Fund Manager (the "AIFM") of the Company is Scottish Widows Schroder Personal Wealth (ACD) Limited, a private company limited by shares which was incorporated in England and Wales on 11th December 2018. Its ultimate holding company is Scottish Widows Schroder Wealth Holdings Limited, which is incorporated in England and Wales.

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

Shareholders are not liable for the debts of the Company.

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

The Company is structured as an umbrella fund, in that the scheme property of the Company is currently divided among 11 sub-funds, each with different investment objectives. The assets of each sub-fund will be treated as separate from those of every other sub-fund and will be invested in accordance with the investment objective and investment policy applicable to the sub-fund. The investment objective, policies and a review of the investment activities during the year are disclosed in the Investment Markets Overview of the individual sub-funds. New sub-funds may be established from time to time by the ACD with the approval of the FCA and Depositary.

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

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

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

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

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

SPW's Value Assessment is available for review on SPW's website - [https://dl.spw.com/SPW\\_Assessment\\_of\\_Value\\_Report.pdf](https://dl.spw.com/SPW_Assessment_of_Value_Report.pdf)

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

### Prospectus changes

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

**On 12 March 2021** the following changes to the SPW Investment Portfolio ICVC and its sub-funds were effected:

- The Investment Portfolio ICVC was renamed SPW Investment Portfolio ICVC and the sub-funds were also renamed with the addition of the prefix "SPW".
- Each sub-fund's investment objective and policy was revised to simplify the language used in and ensure consistency with the rest of the SPW fund range. The changes did not alter the way in which each of the sub-funds is managed.

### IPS Portfolios

- The IPS Higher Income Portfolio was renamed SPW IPS Strategic Income Portfolio.
- For each of the SPW IPS Portfolios, the asset allocation bandings to equities, fixed income and alternative investments were removed. Instead a minimum investment to each sub-fund's primary asset class (either equities or fixed income) and a maximum investment to secondary asset classes was established. The changes provided the SPW IPS Growth Portfolio with slightly more flexibility to allocate between fixed income and alternatives, and the SPW IPS Income Portfolio and SPW IPS Strategic Income Portfolio with slightly more flexibility to allocate between equities and alternative investments.

## Prospectus changes (continued)

Fund	Primary Investment Class	Secondary Investment Classes
SPW IPS Growth Portfolio	The fund will invest at least 65% of its assets in equities (shares).	The fund may invest up to 35% of its assets in fixed and floating rate securities (bonds) and alternative investments.
SPW IPS Income Portfolio	The fund will invest at least 60% of its assets in fixed and floating rate securities (bonds).	The fund may invest up to 40% of its assets in equities (shares) and alternative investments.
SPW Strategic Income Portfolio	The fund will invest at least 60% of its assets in fixed and floating rate securities (bonds).	The fund may invest up to 40% of its assets in equities (shares) and alternative investments.

## SPW Solution Funds

- A formal target benchmark was introduced for each of the SPW Solution Funds. The respective benchmarks reflect the performance aims of each of the SPW Solution Funds which is to seek to provide capital growth and income in excess of the composite benchmark (after the deduction of fees) over five to seven years. The formal target benchmark does not mean the investment manager must invest in accordance with that benchmark.
- The asset allocation ranges to equities (shares), fixed income (bonds) and alternative investments were revised to provide some additional flexibility when the investment manager is making tactical changes to each sub-fund's investment portfolio in response to market events.

## Dilution Adjustment

- The dilution adjustment policy was amended so that the price of each sub-fund is subjected to a dilution adjusted only when the ACD receives purchase or sale instructions from shareholders which when netted off (the value of purchase instructions less the value of sale instructions, or alternatively the value of sale instructions less the value of purchase instructions) total over 1.0% of the respective sub-fund's total value (its net asset value). The application of a dilution adjustment only when there are large net inflows into or outflows from a sub-fund better reflects the aims of the dilution adjustment and reduces the volatility of each sub-fund's share price.

## Net and Gross Share Classes

- References to net and gross in each of the sub-fund's share class names was removed in accordance with tax changes effective from 6th April 2017 when all shares effectively became gross paying.

**On 6 May 2021** the Depositary notified the FCA that the termination of the Managed Growth Fund 2, Managed Growth Fund 4 and Managed Growth Fund 6 had been completed. The FCA revoked the FCA authorisation of the sub-funds on 25 May 2021.

**On 1 July 2021** two changes were made to the constituent indexes used in the SPW Solution Fund range's composite benchmarks:

- the UK equity allocation in each sub-fund's portfolio is currently benchmarked against the FTSE ALL share index. This is to be changed to the MSCI United Kingdom Investable Market (Gross Total Return) index ('MSCI UK IMI'). As with the FTSE All Share, the MSCI UK IMI is designed to measure the performance of the large-, mid- and small-cap segments of the UK equity market.
- the allocation to real estate equities in each sub-fund's portfolio is currently benchmarked against the FTSE EPRA NAREIT Developed index. This is to be changed to the MSCI World Investable Market Core Real Estate (Net Total Return) index ('MSCI World IMI Core Real Estate index') index. As with the FTSE EPRA NAREIT Developed index, the MSCI World IMI Core Real Estate index consists of large-, mid- and small-cap securities engaged in the ownership, development and management of real estate. The index excludes companies, such as real estate services and real estate financing companies, that do not own properties.

**From 1 November 2021** the SPW Discovery Solution will make interest distributions to shareholders and all distributions from this date will be made as an interest distribution unless notified otherwise. The sub-fund to the year-ending 31 October 2021 paid dividend distributions to shareholders.

A copy of the Prospectus is available on request.

Post year end prospectus change, on 1 December 2021, SPW Balanced Solution changed the ACD rate of share class A and share class G from 1.15% to 1.05%. SPW Defensive Solution changed the ACD rate of share class A and share class G from 0.85% to 0.78%.

## Coronavirus

The ongoing Covid-19 pandemic is continuing to drive high volatility in the financial markets. As the situation continues to evolve, so does the ACD's assessment of the risks facing the sub-funds and the Company as a whole, including impacts on operations and supply chains and the degree to which these risks might crystallise.

### 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.

### Going concern basis of accounting

The ACD has considered the impact of Covid-19 on the financial resources and operations of the Company, the investment manager and key service providers. The ACD is of the opinion that the Company has sufficient financial resources and robust business continuity plans in place to continue as a going concern and as such, the financial statements have been prepared on a going concern basis.

### Sub-fund cross-holdings

As at 31st October 2021 there were no shares in sub-funds of the SPW Investment Portfolio ICVC held by other sub-funds of the Company.

### Remuneration disclosures

Aggregate remuneration paid for the year ended 31st December 2020 to senior management and members of staff whose actions have a material impact on the risk profile of the AIFs (Identified Staff)

	Senior management	Risk Takers	Control staff	Other members of staff with material impact	Total
Fixed remuneration	£2,381,761	£550,011	£400,500	£0	£3,332,272
Variable remuneration	£899,984	£206,818	£100,000	£0	£1,206,802
Carried interest	£0	£0	£0	£0	£0
TOTAL	£3,281,745	£756,829	£500,500	£0	£4,539,074
Number of Identified Staff <sup>1</sup>	10	3	3	0	16

Staff shown in the table above are employed by SPW in relation to activities relating to the management of AIFs/AIFMs and are subject to the SPW Remuneration Policy. They also perform other SPW activities; no staff are directly employed by the UCITS funds. The investment management of the UCITS funds for the period to 21st November 2019 was carried out by an external investment adviser, Aberdeen Asset Investments Limited (AAIL). Schroder Investment Management Limited took over management from 22nd November 2019.

For the purpose of remuneration regulation, SPW is treated as a proportionality level III firm and subject to the BIPRU, 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.

### Remuneration disclosures (continued)

#### Composition of the Remuneration Committee

The members of the Committee during 2020 were Adam Seale (chairman), Dena Brumpton, Peter Hall and Stuart Sinclair.

#### 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 nonexecutive 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 31st October 2021

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

In preparing the Financial Statements the ACD is required to:

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

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

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

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

## Report of the Authorised Corporate Director

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In accordance with the 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**  
**28th February 2022**



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

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for the year ended 31st October 2021

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 Scheme documents and the Regulations in relation to the investment and borrowing powers applicable to the Company.

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the Regulations, 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

## Investment Portfolio ICVC

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for the year ended 31st October 2021

### Report on the audit of the financial statements

#### Opinion

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

- give a true and fair view of the financial position of the company and its sub-funds as at 31st October 2021 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 31st October 2021; 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 accounting policies 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

## Investment Portfolio ICVC

(continued)

for the year ended 31st October 2021

### Responsibilities of depositary and ACD

As explained more fully in the statement of depositary's responsibilities and statement of ACD's responsibilities, 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 those charged with governance about their own identification and assessment of the risks of irregularities.

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. In response we have: obtained understanding of the relevant controls at the administrator over the valuation and existence of investments; 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
- reviewing correspondence with HMRC and the FCA.

# Independent Auditors' Report to the Shareholders of

## Investment Portfolio ICVC

(continued)

for the year ended 31st October 2021

### 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 its 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 disclosed in the annual report for the year ended 31st September 2021 for the purpose of complying with Paragraph 4.5.9R of the Collective Investment Schemes Sourcebook 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 Auditors**  
**Glasgow, United Kingdom**  
**28th February 2022**

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

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for the year ended 31st October 2021

### 1. Significant accounting basis and distribution policies

#### (a) Basis of accounting

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA) in May 2014 as amended in June 2017, and the Collective Investment Schemes Sourcebook.

As described further on page 4 the financial statements of the sub-funds have been prepared on a going concern basis.

#### (b) Revenue

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

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

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

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

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

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

#### (c) Expenses

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

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

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

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

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

#### (d) Distribution policy

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

In accordance with the S2006/964 tax regulation, the following sub-funds satisfied the qualifying investments test of holding over 60% of interest bearing assets throughout the period:

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

All distributions were therefore made as interest distributions.

All other sub-funds make dividend distributions.

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

#### (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.

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

(continued)

for the year ended 31st October 2021

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

#### (e) Taxation (continued)

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 29th October 2021, last business operating day of the year, as at close of business excluding any accrued interest in the case of fixed interest securities. Market value is defined by the SORP as fair value, which is generally the bid value of each security. Where applicable, illiquid, unlisted, delisted, unapproved or suspended securities are based on the ACD's assessment of their net realisable value.

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

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

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

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

#### (g) Unquoted debt securities

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

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

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

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

#### (h) Exchange rates

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

#### (i) Dilution adjustment

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

#### (j) Equalisation

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

#### (k) Derivatives

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

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

(continued)

for the year ended 31st October 2021

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

#### (k) Derivatives (continued)

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

#### (l) Securities Financing Transactions

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

### 2. Significant accounting judgements and estimates

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

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

#### (a) Judgements

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

#### (b) Estimates

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

## Investment Markets Overview

for the year ended 31st October 2021

### 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 44.8% MSCI North America (Net Total Return) index, 9.7% MSCI Europe ex UK (Net Total Return) index, 5.1% MSCI Japan (Net Total Return) index, 5.7% MSCI AC Asia ex Japan (Net Total Return) index, 5.7% MSCI Emerging Markets (Net Total Return) index, 18% MSCI UK IMI (Gross Total Return) index, 1% Bloomberg Barclays Global High Yield Corporate Value GBP Hedged index, 1% Bloomberg Barclays 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 indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

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

The Fund will invest within the following ranges:

Equity and equity related securities: 60% – 100%

Fixed and floating rate securities: 0% – 20%

Alternative assets: 0% – 20%

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management').

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

### Synthetic Risk and Reward Indicator

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

<p>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.</p> <p>*As disclosed in the key investor information document dated 28th September 2021.</p>	<div> <div>Typically lower rewards, lower risks</div> <div>Typically higher rewards, higher risks</div> <div>←</div> <div>→</div> </div> <div> <div>1</div> <div>2</div> <div>3</div> <div>4</div> <div>5</div> <div>6</div> <div>7</div> </div>						
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**Investment Markets Overview****(continued)**

for the year ended 31st October 2021

**Investment Review**

<b>Performance</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>16/09/19 to 31/10/19 %</b>
SPW Adventurous Solution A Accumulation	31.34	(11.24)	n/a

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

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

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 31.3% in the 12 months to 31 October 2021.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

**Portfolio Statement**

as at 31st October 2021

	<b>Holdings</b>	<b>Market Value £000</b>	<b>Total Net Assets %</b>
<b>FINANCIALS (127.26%, 31/10/20 97.77%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	13,617	155	1.00
iShares North America Index Fund S Acc GBP	154,397	1,600	10.33
Schroder Sterling Liquidity Fund X Inc†±Ø	5,084,135	5,084	32.84
Schroders Personal Wealth Multi-Manager	1,803,700	1,757	11.35
Asia ex Japan & Global Emerging Markets Equity X GBP Acct†			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct†	1,463,596	1,510	9.75
Schroders Personal Wealth Multi-Manager	291,922	294	1.90
Global High Income & Emerging Markets Fund Q Acct†			
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Acct†	278,305	792	5.12
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct†	773,771	789	5.10
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct†	4,712,559	4,995	32.27
Schroders Personal Wealth Multi-Manager UK Equity Fund A Acct†	991,417	2,568	16.59
		<b>19,544</b>	<b>126.25</b>
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	9,602	156	1.01
		<b>156</b>	<b>1.01</b>
<b>TOTAL FINANCIALS</b>		<b>19,700</b>	<b>127.26</b>
<b>DERIVATIVES (0.21%, 31/10/20 -1.08%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD283,000 for GBP166,351 Settlement 24/11/2021~		0	0.00
Bought CHF186,000 for GBP146,568 Settlement 24/11/2021		2	0.02
Bought EUR133,000 for GBP112,302 Settlement 24/11/2021~		0	0.00
Bought JPY58,189,000 for GBP370,010 Settlement 24/11/2021		2	0.01
Bought USD5,313,295 for GBP3,850,325 Settlement 24/11/2021		5	0.03
Bought USD206,000 for GBP149,248 Settlement 24/11/2021~		0	0.00
Sold CAD283,000 for GBP166,279 Settlement 24/11/2021~		0	0.00
Sold EUR133,000 for GBP112,701 Settlement 24/11/2021~		0	0.00
Sold USD2,027,000 for GBP1,469,834 Settlement 24/11/2021		(1)	(0.01)
		<b>8</b>	<b>0.05</b>

**Portfolio Statement**

(continued)

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(1)	(4)	(0.02)
E Mini Russell 2000 Index Futures December 2021	4	8	0.05
EURO STOXX 50 Index Futures December 2021	2	2	0.01
FTSE 100 Index Futures December 2021	7	9	0.06
MSCI Emerging Markets Index Futures December 2021	3	(1)	(0.01)
S&P 500 E Mini Index Futures December 2021	1	10	0.07
		24	0.16
<b>TOTAL DERIVATIVES</b>		<b>32</b>	<b>0.21</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>19,732</b>	<b>127.47</b>
<b>Net other liabilities</b>		<b>(4,252)</b>	<b>(27.47)</b>
<b>Total net assets</b>		<b>15,480</b>	<b>100.00</b>

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

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

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

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

<sup>‡</sup>Cash equivalents.

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

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

## Material Portfolio Changes

for the year ended 31st October 2021

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	5,316	Schroders Personal Wealth Multi-Manager International Equity Fund A Acct†	6,026
Schroders Personal Wealth Multi-Manager International Equity Fund X Acct†	5,277	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund A Acct†	3,727
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct†	1,644	Schroder Sterling Liquidity Fund X Inc†‡	2,922
iShares North America Index Fund S Acc GBP	1,600	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	477
Schroders Personal Wealth Multi-Manager Asia ex Japan & Global Emerging Markets Equity X GBP Acct†	1,009	Threadneedle Lux Enhanced Commodities Portfolio IU USD Acc	299
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct†	788	Vontobel Commodity Fund G GBP Acc	254
Schroders Personal Wealth Multi-Manager UK Equity Focus Fund A Acct†	534	Aberdeen UK Property Feeder Unit Trust A Acc	249
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct†	430	Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct†	152
Schroders Personal Wealth Multi-Manager International Equity Fund A Acct†	387	Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc#	134
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Acct†	326	Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Acct†	109

The above 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 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

**Comparative Table**

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	192.70	217.12	218.92
Return before operating charges*	63.86	(20.77)	(1.28)
Operating charges	(3.31)	(3.65)	(0.52)
Return after operating charges*	60.55	(24.42)	(1.80)
Distributions	(0.20)	(1.86)	(1.22)
Retained distributions on accumulation shares	0.20	1.86	1.22
Closing net asset value per share	253.25	192.70	217.12
*after direct transaction cost of:	0.03	0.01	0.00
<b>Performance</b>			
Return after charges^	31.42%	(11.25)%	(0.82)%
<b>Other information</b>			
Closing net asset value (£000)	5,531	4,498	5,595
Closing number of shares	2,184,002	2,334,353	2,577,000
Operating charges#	1.41%	1.80%	1.82%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	254.40	228.50	219.50
Lowest share price	192.90	162.30	212.50

#Operating charges are representative of the ongoing charges figure.

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

\*\*The highest and lowest share prices are based on 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 A Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	156.02	175.27	176.62
Return before operating charges*	51.68	(16.93)	(1.05)
Operating charges	(2.65)	(2.32)	(0.30)
Return after operating charges*	49.03	(19.25)	(1.35)
Distributions	(0.14)	(2.05)	(1.10)
Retained distributions on accumulation shares	0.14	2.05	1.10
Closing net asset value per share	205.05	156.02	175.27
*after direct transaction cost of:	0.02	0.01	0.00
<b>Performance</b>			
Return after charges	31.43%	(10.98)%	(0.76)%
<b>Other information</b>			
Closing net asset value (£000)	9,949	9,234	11,473
Closing number of shares	4,852,376	5,918,817	6,545,700
Operating charges#	1.40%	1.41%	1.32%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	206.00	184.60	177.10
Lowest share price	156.20	131.20	171.40

#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.

Share Class G Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	261.38	263.07
Return before operating charges*	(40.76)	(1.63)
Operating charges	(0.27)	(0.06)
Return after operating charges*	(41.03)	(1.69)
Distributions	-	(1.95)
Retained distributions on accumulation shares	-	1.95
Return to shareholder as a result of class closure	(220.35)	-
Closing net asset value per share	-	261.38
*after direct transaction cost of:	0.00	0.00
<b>Performance</b>		
Return after charges	(15.70)%	(0.64)%
<b>Other information</b>		
Closing net asset value (£000)	-	53,483
Closing number of shares	-	20,462,050
Operating charges#	0.23%	0.17%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	275.90	263.90
Lowest share price	196.40	255.50

#Operating charges are representative of the ongoing charges figure.

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

Share Class X Accumulation was launched on 16th September 2019 and closed on 24th April 2020.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

**Statement of Total Return**

for the year ended 31st October 2021

	Notes	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Income			
Net capital gains/(losses)	2	4,132	(10,645)
Revenue	3	113	717
Expenses	4	(97)	127
Interest payable and similar charges		(3)	(1)
Net revenue before taxation		13	843
Taxation	5	(2)	(88)
Net revenue after taxation		11	755
<b>Total return before distributions</b>		<b>4,143</b>	<b>(9,890)</b>
Distributions	6	(11)	(769)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>4,132</b>	<b>(10,659)</b>

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

for the year ended 31st October 2021

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Opening net assets attributable to shareholders</b>	<b>13,732</b>	<b>70,551</b>
Amounts receivable on creation of shares	386	2,296
Less: Amounts payable on cancellation of shares	(2,781)	(48,621)
	(2,395)	(46,325)
Change in net assets attributable to shareholders from investment activities	4,132	(10,659)
Retained distributions on accumulation shares	11	165
<b>Closing net assets attributable to shareholders</b>	<b>15,480</b>	<b>13,732</b>

*Notes to the Financial Statements are on pages 24 to 31.*



**Balance Sheet**

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		14,654	10,747
<b>Current assets</b>			
Debtors	8	62	58
Cash and bank balances	9	648	439
Cash equivalents‡		5,084	2,691
<b>Total assets</b>		<b>20,448</b>	<b>13,935</b>
<b>Liabilities</b>			
Investment liabilities		(6)	(161)
<b>Creditors</b>			
Bank overdrafts		(2)	(12)
Other creditors	10	(4,960)	(30)
<b>Total liabilities</b>		<b>(4,968)</b>	<b>(203)</b>
<b>Net assets attributable to shareholders</b>		<b>15,480</b>	<b>13,732</b>

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

Notes to the Financial Statements are on pages 24 to 31.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	2,702	(10,706)
Futures contracts	1,529	(131)
Forward currency contracts	(124)	79
ACD's periodic charge rebates taken to capital	9	72
Fund of funds rebates taken to capital	-	1
Currency gains	30	10
Transaction charges	(14)	(6)
Compensation~	-	36
Net capital gains/(losses)*	4,132	(10,645)

~Prior year compensation received from Schroder Investment Management with regards to the trading error.

\*Includes realised gains of £2,355,000 and unrealised gains of £1,777,000 (31/10/20: realised losses of £10,325,000 and unrealised losses of £320,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	97	494
Interest distributions	7	15
Offshore distributions	8	159
Fund of funds rebates	1	47
Windfall from project rose**	-	2
Total revenue	113	717

\*\*Prior year figure relates to windfall received in relation to project rose to cover shortfall deficit.

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge*	109	(129)
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	4

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**4. Expenses (continued)**

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Other expenses:</b>		
Audit fee	10	10
Expense capping adjustment**	(23)	(12)
	(13)	(2)
Total expenses	97	(127)

Expenses include irrecoverable VAT.

\*The prior year ACD charge is in a negative net rebate position as the internal rebates received are higher than the expenses inherent in the underlying holdings.

\*\*Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £10,000 (31/10/20: £9,750).

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	-	78
Corporation tax prior year adjustment	-	10
Double tax relief	-	(3)
Irrecoverable overseas tax	2	3
Total current tax	2	88

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	13	843
Corporation tax of 20%	3	169
<b>Effects of:</b>		
Non-taxable UK dividends*	(17)	(90)
Overseas non-taxable revenue*	-	(5)
Taxable income taken to capital	2	14
Irrecoverable overseas tax	2	3
Corporation tax prior year adjustment	-	10
Income taxed in prior year	-	(10)
Double tax relief	-	(3)
Movement in excess management expenses	12	-
Total tax charge for year (note 5a)	2	88

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

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

**(c) Deferred taxation:**

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

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

for the year ended 31st October 2021

**5. Taxation (continued)****(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 £12,206 (31/10/20: £nil) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Final	11	165
Add: Revenue deducted on cancellation of shares	-	616
Deduct: Revenue received on creation of shares	-	(12)
Net distribution for the year	11	769

*Details of the distributions per share are set out in the Distribution Tables on page 32.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	11	755
Tax charge on rebates taken to capital	-	14
Net distribution for the year	11	769

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	53	46
Amounts receivable for issue of shares	-	3
Fund of funds rebates receivable	1	3
Income tax receivable	1	5
Expense capping adjustment receivable	7	1
Total debtors	62	58

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	484	15
Amounts held at futures clearing houses and brokers	164	424
Total cash and bank balances	648	439

**10. Other creditors**

	31/10/21 £000	31/10/20 £000
Purchases awaiting settlement	4,756	-
Amounts payable for cancellation of shares	179	-
Accrued expenses	25	16
Corporation tax payable	-	14
Total other creditors	4,960	30

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**11. Related party transactions**

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

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

The periodic charge rebates taken to capital disclosed in note 2 are received from the ACD, which amount to £9,194 (31/10/20: £72,287).

Amounts paid to/from the ACD in respect of ACD fees are disclosed in notes 2 and 4, with £3,744 (31/10/20: £3,183) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 10,769,498 shares (31/10/20: 14,072,634 shares) with a cost of £16,006,976 (31/10/20: £16,828,743) and sales of 6,167,005 shares (31/10/20: 23,711,448 shares) with sales proceeds of £13,172,673 (31/10/20: £43,787,416).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 15,399,404 shares (31/10/20: 6,483,177 shares) and value of £17,789,029 (31/10/20: £12,313,018) 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 £104,770 (31/10/20: £279,737).

Compensation disclosed in note 2 includes amounts received from Schroders Investment Management at a value of £36,000.

Revenue received in note 3 of £2,000 is in relation to project Rose, held under Lloyds Banking Group PLC.

*Shares held by associates of the ACD*

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

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2020: two).

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

	31/10/21
	%
Share Class A - Accumulation:	1.15
Share Class G - Accumulation:	1.15

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 19 to 21.

The distributions per share class are given in the Distribution Tables on page 32.

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation	2,334,353	28,852	(179,203)	2,184,002
Share Class G - Accumulation	5,918,817	167,551	(1,233,992)	4,852,376

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £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 14. The risks inherent in the sub-fund's investment portfolio are as follows:

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

for the year ended 31st October 2021

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

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

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

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

As at 31st October 2021, if the value of Sterling increased or decreased by 1% against all currencies, the resulting change in the net assets attributable to shareholders of the Fund would have been an increase or decrease of approximately £34,230 (31/10/20: £18,571).

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

Currency	Currency exposure 31/10/21	Currency exposure 31/10/20
	£000	£000
Canadian dollar	-	(43)
Euro	27	(38)
Japanese yen	377	241
Swiss franc	148	265
US dollar	2,871	1,432
Total	3,423	1,857

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

The Fund receives revenue from holdings in collective investment schemes. The cashflow from the Fund's underlying 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 providing long term capital growth.

The Fund's net cash holding of £484,399 (31/10/20: holding £14,919) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The Fund holds net cash at futures brokers of £161,536 (31/10/20: cash £412,126), whose rates are based on SONIA or its international equivalent.

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

The Fund did not have any long term financial liabilities.

*(c) Derivatives and other financial instruments*

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

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

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

for the year ended 31st October 2021

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

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

<b>Financial derivative instrument exposure - fair value</b>	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	29	8
Forward currency contracts	9	5
Total Financial derivative instrument exposure	<b>38</b>	<b>13</b>

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

<b>Counterparties to financial derivative instruments and efficient portfolio management techniques</b>	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
HSBC Bank - Forward currency contracts	-	2
Lloyds Bank - Forward currency contracts	-	1
Morgan Stanley - Forward currency contracts	5	1
Goldman Sachs - Forward currency contracts	1	-
Bank of America - Forward currency contracts	2	-
Merrill Lynch - Futures contracts	24	(152)
Total counterparty exposure	<b>32</b>	<b>(148)</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>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	(2)	413
EUR Cash - Merrill Lynch	17	10
JPY Cash - Merrill Lynch	11	1
USD Cash - Merrill Lynch	136	(12)

**(d) Liquidity risk**

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

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

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

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

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

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

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

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

As at 31st October 2021, 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 £197,319 (31/10/20: £132,774).

*(f) Leverage*

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

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

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

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

	31/10/21	31/10/20
	%	%
Gross leverage	164.21	112.77
Commitment leverage	17.78	2.5

*(g) Credit risk*

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000	£000	£000
Collective Investment Schemes	18,129	19,541	14,660	66,354
<b>Commissions</b>				
Futures	1	1	(1)	(1)
<b>Total net trades in the year after transaction costs</b>	<b>18,130</b>	<b>19,542</b>	<b>14,659</b>	<b>66,353</b>

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%
Commissions	0.01	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equities, futures contracts, broker commissions and transfer taxes may be paid on each transaction. 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.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (31/10/20: 0.00%).



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

for the year ended 31st October 2021

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	185	(5)	8	(160)
Level 2	19,553	(1)	13,430	(1)
Level 3	-	-	-	-
Total fair value	19,738	(6)	13,438	(161)

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 Solution

### Distribution Tables

for the year ended 31st October 2021

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st November 2020

Group 2 Final Shares purchased on or between 1st November 2020 and 31st October 2021

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.2019	-	0.2019	1.8648
Group 2	(p)	(p)	(p)	(p)
Final	0.2019	-	0.2019	1.8648

#### Share Class G - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.1386	-	0.1386	2.0530
Group 2	(p)	(p)	(p)	(p)
Final	0.1386	-	0.1386	2.0530

Share Class X Accumulation was closed on 24th April 2020.

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

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

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

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

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

## SPW Asset Allocator Fund

### Investment Markets Overview

for the year ended 31st October 2021

#### Investment Objective

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

#### Investment Policy

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

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

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

The Fund may also invest directly in equity and equity related securities, fixed and floating rate securities, money market instruments and may hold cash.

The Fund may use derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund may take long and short positions in markets and securities through derivative contracts. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

#### Synthetic Risk and Reward Indicator

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

The Fund is ranked at 4* because, based on historical data, it would have experienced medium levels of volatility over the past five years.  *As disclosed in the key investor information document dated 28th September 2021.	Typically lower rewards, lower risks						
	Typically higher rewards, higher risks						
	←						→
	1	2	3	4	5	6	7

#### Investment Review

Performance	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %	01/11/17 to 31/10/18 %	01/11/16 to 31/10/17 %
SPW Asset Allocator Fund A Accumulation	20.87	(7.02)	5.47	(4.15)	3.82

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

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

The fund returned 20.9% in the 12 months to 31 October 2021. The benchmark returned 13.6% in the same period.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

## Investment Markets Overview

(continued)

for the year ended 31st October 2021

### Investment Review (continued)

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

# SPW Asset Allocator Fund

## Portfolio Statement

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.75%, 31/10/20 99.17%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	4,147,090	47,162	2.48
Schroder Sterling Liquidity Fund X Inc†‡	268,608,228	268,608	14.12
Schroders Personal Wealth Multi-Manager	93,960,250	91,160	4.79
Asia ex Japan & Global Emerging Markets Equity Fund Q Inc†			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund Q Inc†	77,547,133	79,951	4.20
Schroders Personal Wealth Multi-Manager	194,994,399	191,446	10.07
Global High Income & Emerging Markets Fund Q Inc†			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	368,420,234	368,273	19.36
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	188,935,466	187,556	9.86
Schroders Personal Wealth Multi-Manager Japanese Equity Fund Q Inc†	38,639,559	39,065	2.06
Schroders Personal Wealth Multi-Manager North American Equity Fund Q Inc†	328,214,328	347,251	18.26
Schroders Personal Wealth Multi-Manager UK Equity Fund P Inc†	94,574,698	191,797	10.09
Vanguard Global Corporate Bond Index Fund	184,098	18,124	0.95
		1,830,393	96.24
<b>Exchange Traded Funds</b>			
iShares Diversified Commodity Swap UCITS	10,116,389	47,805	2.51
		47,805	2.51
<b>TOTAL FINANCIALS</b>		<b>1,878,198</b>	<b>98.75</b>
<b>DERIVATIVES (0.24%, 31/10/20 -0.38%)</b>			
<b>Forward Currency Contracts</b>			
Bought USD27,355,000 for GBP19,814,788 Settlement 24/11/2021		31	0.00
Bought USD16,519,492 for GBP11,970,993 Settlement 24/11/2021		13	0.00
		44	0.00

**Portfolio Statement**

(continued)

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(347)	(1,375)	(0.07)
E Mini Russell 2000 Index Futures December 2021	2,276	4,780	0.25
Euro BUXL 30 Year Bund Futures December 2021	(203)	300	0.01
EURO STOXX 50 Index Futures December 2021	1,349	1,140	0.06
FTSE 100 Index Futures December 2021	1,577	595	0.03
MSCI Emerging Markets Index Futures December 2021	2,024	(822)	(0.04)
S&P 500 E Mini Index Futures December 2021	(469)	(1,893)	(0.10)
US Treasury Note 10 Year Ultra Bond Futures December 2021	(1,158)	1,911	0.10
		4,636	0.24
<b>TOTAL DERIVATIVES</b>		<b>4,680</b>	<b>0.24</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>1,882,878</b>	<b>98.99</b>
<b>Net other assets</b>		<b>19,154</b>	<b>1.01</b>
<b>Total net assets</b>		<b>1,902,032</b>	<b>100.00</b>

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

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

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

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

<sup>‡</sup>Cash equivalents.

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

## SPW Asset Allocator Fund

### Material Portfolio Changes

for the year ended 31st October 2021

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	1,060,109	Schroder Sterling Liquidity Fund X Inc†‡	1,112,976
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	388,547	JP Morgan Global Corporate Bond Fund I2 GBP (Hedged) Inc	128,981
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Inc†	194,982	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	112,239
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	189,052	Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc#	106,625
Vanguard Global Corporate Bond Index Fund	81,292	iShares USD Corporate Bond UCITS#	85,221
iShares Diversified Commodity Swap UCITS#	72,274	iShares JP Morgan USD Emerging Markets UCITS#	83,957
Schroders Personal Wealth Multi-Manager International Equity Fund P Inc†	57,024	Candriam Bonds Emerging Markets V2 GBP (Hedged) Dis	71,730
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	47,701	L&G Longer Dated All Commodities UCITS#	69,746
Franklin FTSE Korea UCITS#	45,568	Vanguard Global Corporate Bond Index Fund	63,253
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc#	42,856	Federated Hermes Short-Term Sterling Prime Fund 3 Inc	47,824

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

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

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Fund.

# SPW Asset Allocator Fund

## Comparative Table

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	119.29	129.23	122.50
Return before operating charges*	25.31	(7.56)	9.09
Operating charges	(1.94)	(2.38)	(2.36)
Return after operating charges*	23.37	(9.94)	6.73
Distributions	(0.14)	(1.05)	(0.90)
Retained distributions on accumulation shares	0.14	1.05	0.90
Closing net asset value per share	142.66	119.29	129.23
*after direct transaction cost of:	0.02	0.02	0.01
<b>Performance</b>			
Return after charges^	19.59%	(7.69%)	5.49%
<b>Other information</b>			
Closing net asset value (£000)	62	83	869
Closing number of shares	43,700	69,660	673,000
Operating charges#	1.43%	1.89%	1.88%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	143.90	134.80	130.20
Lowest share price	119.50	108.20	116.70

#Operating charges are representative of the ongoing charges figure.

^ The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 33 which is sourced from Lipper and based on daily published prices.

\*\*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.



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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class P - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	111.77	122.22	116.64
Return before operating charges*	23.59	(7.63)	8.37
Operating charges	(0.79)	(0.70)	(0.69)
Return after operating charges*	22.80	(8.33)	7.68
Distributions	(1.06)	(2.12)	(2.10)
Closing net asset value per share	133.51	111.77	122.22
*after direct transaction cost of:	0.02	0.01	0.01
<b>Performance</b>			
Return after charges	20.40%	(6.82%)	6.58%
<b>Other information</b>			
Closing net asset value (£000)	141,595	117,497	125,923
Closing number of shares	106,056,919	105,124,762	103,025,927
Operating charges#	0.62%	0.60%	0.58%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	135.20	127.80	124.20
Lowest share price	112.00	102.80	111.30

#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.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class Q - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	111.78	122.24	116.66
Return before operating charges*	23.57	(7.66)	8.36
Operating charges	(0.70)	(0.62)	(0.62)
Return after operating charges*	22.87	(8.28)	7.74
Distributions	(1.13)	(2.18)	(2.16)
Closing net asset value per share	133.52	111.78	122.24
*after direct transaction cost of:	0.02	0.01	0.01
<b>Performance</b>			
Return after charges	20.46%	(6.77%)	6.63%
<b>Other information</b>			
Closing net asset value (£000)	1,760,375	1,295,914	1,420,238
Closing number of shares	1,318,397,664	1,159,356,639	1,161,864,850
Operating charges#	0.55%	0.54%	0.52%
Direct transaction costs	0.01%	0.01%	0.01%
<b>Prices**</b>			
Highest share price	135.30	127.90	124.20
Lowest share price	112.00	102.80	111.30

#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.

## SPW Asset Allocator Fund

### Statement of Total Return

for the year ended 31st October 2021

	Notes	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Income			
Net capital gains/(losses)	2	282,617	(132,735)
Revenue	3	20,541	33,779
Expenses	4	(2,237)	(2,184)
Interest payable and similar charges		(1,104)	(61)
Net revenue before taxation		17,200	31,534
Taxation	5	(2,163)	(4,443)
Net revenue after taxation		15,037	27,091
<b>Total return before distributions</b>		<b>297,654</b>	<b>(105,644)</b>
Distributions	6	(15,338)	(27,119)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>282,316</b>	<b>(132,763)</b>

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

for the year ended 31st October 2021

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,413,494</b>	<b>1,547,030</b>
Amounts receivable on creation of shares	234,107	73,732
Less: Amounts payable on cancellation of shares	(27,896)	(74,525)
	206,211	(793)
Dilution adjustment	11	18
Change in net assets attributable to shareholders from investment activities	282,316	(132,763)
Retained distributions on accumulation shares	-	2
<b>Closing net assets attributable to shareholders</b>	<b>1,902,032</b>	<b>1,413,494</b>

Notes to the Financial Statements are on pages 43 to 51.

# SPW Asset Allocator Fund

## Balance Sheet

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		1,618,360	1,091,906
<b>Current assets</b>			
Debtors	8	22,611	6,013
Cash and bank balances	9	28,876	30,235
Cash equivalents‡		268,608	321,475
<b>Total assets</b>		<b>1,938,455</b>	<b>1,449,629</b>
<b>Liabilities</b>			
Investment liabilities		(4,090)	(17,025)
<b>Creditors</b>			
Bank overdrafts		(2,992)	(3,486)
Distribution payable		(10,218)	(14,335)
Other creditors	10	(19,123)	(1,289)
<b>Total liabilities</b>		<b>(36,423)</b>	<b>(36,135)</b>
<b>Net assets attributable to shareholders</b>		<b>1,902,032</b>	<b>1,413,494</b>

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

Notes to the Financial Statements are on pages 43 to 51.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	188,360	(67,125)
Futures contracts	71,038	(49,604)
Forward currency contracts	20,172	(13,242)
ACD's periodic charge rebates taken to capital	1,403	70
Fund of funds rebates taken to capital	104	70
Currency gains/(losses)	1,549	(2,893)
Transaction charges	(11)	(11)
Compensation~	2	-
Net capital gains/(losses)*	282,617	(132,735)

~Compensation received from Schroder Investment Management with regards to the trading error.

\*Includes realised gains of £121,287,000 and unrealised gains of £161,330,000 (31/10/20: realised losses of £72,083,000 and unrealised losses of £60,652,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	7,890	9,456
Interest distributions	8,880	58
Offshore distributions	3,718	22,236
Bank interest	53	164
Interest on debt securities	-	1,864
Compensation#	-	1
Total revenue	20,541	33,779

#Prior year compensation payments to cover debit interest charges after an internal IT issue on 3rd October 2020.

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	1,927	1,921
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	185	157
Safe custody fees	16	17
	201	174

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

for the year ended 31st October 2021

**4. Expenses (continued)**

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Other expenses:</b>		
Audit fee	14	11
Registration fees	1,210	923
Expense capping adjustment†	(1,115)	(845)
	<u>109</u>	<u>89</u>
Total expenses	<u>2,237</u>	<u>2,184</u>

Expenses include irrecoverable VAT.

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

The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £12,250 (31/10/20: £11,980).

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	<u>2,163</u>	<u>4,443</u>

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	17,200	31,534
Corporation tax of 20% (2020: 20%)	<u>3,440</u>	<u>6,307</u>
<b>Effects of:</b>		
Non-taxable UK dividends*	(1,578)	(1,892)
Taxable income taken to capital	<u>301</u>	<u>28</u>
Total tax charge for year (note 5a)	<u>2,163</u>	<u>4,443</u>

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

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

**(c) Deferred taxation:**

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

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

for the year ended 31st October 2021

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Interim	5,439	12,753
Final	10,218	14,336
	<hr/> 15,657	<hr/> 27,089
Add: Revenue deducted on cancellation of shares	61	438
Deduct: Revenue received on creation of shares	(380)	(408)
Net distributions for the year	<hr/> 15,338	<hr/> 27,119

*Details of the distributions per share are set out in the Distribution Tables on page 52.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	15,037	27,091
Tax charge on rebates taken to capital	301	28
Net distributions for the year	<hr/> 15,338	<hr/> 27,119

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	11,202	-
Amounts receivable for issue of shares	3,012	2,171
Accrued revenue	8,167	3,773
Fund of funds rebates receivable	105	1
Expense capping adjustment receivable	125	68
Total debtors	<hr/> 22,611	<hr/> 6,013

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	6,059	2,206
Amounts held at futures clearing houses and brokers	22,817	28,029
Total cash and bank balances	<hr/> 28,876	<hr/> 30,235

**10. Other creditors**

	31/10/21 £000	31/10/20 £000
Purchases awaiting settlement	18,695	-
Amounts payable for cancellation of shares	132	85
Accrued expenses	145	270
Corporation tax payable	151	934
Total other creditors	<hr/> 19,123	<hr/> 1,289

for the year ended 31st October 2021

**11. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £1,403,251 (31/10/20: £69,691).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £97,646 (31/10/20: £222,145) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustments are disclosed in note 4 with £125,393 (31/10/20: £67,810) 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 1,902,241,382 shares (31/10/20: 983,591,201 shares) with a cost of £1,964,857,627 (31/10/20: £1,043,930,372) and sales of 1,170,608,379 shares (31/10/20: 666,326,574 shares) with sales proceeds of £1,197,302,306 (31/10/20: £713,208,177).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 1,653,894,294 shares (31/10/20: 517,446,658 shares) and value of £1,765,107,000 (31/10/20: £846,632,013) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £16,846,084 (31/10/20: £8,774,763).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	31/10/21	31/10/20
	%	%
ACD and associates of the ACD	0.01	0.01

*Material Shareholders*

Boltro Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 8.99%).

Perry Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 11.77%).

**12. Share classes**

The sub-fund has three share classes in issue (31/10/2020: three).

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

	31/10/21
	%
Share Class A - Accumulation:	1.00
Share Class P - Income:	0.20
Share Class Q - Income:	0.20

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 38 to 40.

The distributions per share class are given in the Distribution Tables on page 52.



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation	69,660	-	(25,960)	43,700
Share Class P - Income	105,124,762	4,691,690	(3,759,533)	106,056,919
Share Class Q - Income	1,159,356,639	177,151,413	(18,110,388)	1,318,397,664

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £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 33. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

As at 31st October 2021, 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 £818,095 (31/10/20: £1,704,769).

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

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	-	694
Canadian dollar	-	(40)
Euro	1,149	(23,239)
Hong Kong dollar	-	(31,565)
Japanese yen	41	(36,641)
US dollar	80,620	(79,686)
Total	81,810	(170,477)

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

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

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

The sub-fund's net cash holding of £6,059,035 (31/10/20: holding £2,205,699) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £19,825,256 (31/10/20: cash £24,542,758), whose rates are based on SONIA or its international equivalent.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

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

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

## (c) Derivatives and other financial instruments

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

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.

Financial derivative instrument exposure - fair value	31/10/21 £000	31/10/20 £000
Exchange traded derivatives	8,726	10,893
Forward currency contracts	44	760
Total Financial derivative instrument exposure	<b>8,770</b>	<b>11,653</b>

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

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

	31/10/21 £000	31/10/20 £000
HSBC Bank - Forward currency contracts	-	(10,381)
Lloyds Bank - Forward currency contracts	-	617
Morgan Stanley - Forward currency contracts	13	(11)
UBS - Forward currency contracts	-	(31)
JP Morgan - Forward currency contracts	31	-
Merrill Lynch - Futures contracts	4,636	4,434
Total counterparty exposure	<b>4,680</b>	<b>(5,372)</b>

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

Collateral	31/10/21 £000	31/10/20 £000
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	21,692	27,249
AUD Cash - Merrill Lynch	-	563
CAD Cash - Merrill Lynch	-	(3)
EUR Cash - Merrill Lynch	1,084	109
JPY Cash - Merrill Lynch	41	108
USD Cash - Merrill Lynch	(2,992)	(3,483)

## (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.

for the year ended 31st October 2021

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

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

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

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

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

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

As at 31st October 2021, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £18,828,782 (31/10/20: £13,963,563).

*(f) Leverage*

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

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

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

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

	31/10/21	31/10/20
	%	%
Gross leverage	123.35	148.32
Commitment leverage	51.39	59.34

*(g) Credit risk*

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

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

## 15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000	£000	£000
Collective Investment Schemes	2,335,767	1,568,031	2,047,069	1,439,511
Fixed Income	-	-	-	202,608
<b>Trades in the year before transaction costs</b>	<b>2,335,767</b>	<b>1,568,031</b>	<b>2,047,069</b>	<b>1,642,119</b>
<b>Commissions</b>				
Collective Investment Schemes~	-	-	0	-
Futures	104	93	(110)	(88)
Total commissions	104	93	(110)	(88)
<b>Taxes</b>				
Collective Investment Schemes~	0	-	-	-
Total costs	104	93	(110)	(88)
<b>Total net trades in the year after transaction costs</b>	<b>2,335,871</b>	<b>1,568,124</b>	<b>2,046,959</b>	<b>1,642,031</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

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

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%	%	%
<b>Commissions</b>				
Collective Investment Schemes	-	-	0.00	-
<b>Taxes</b>				
Collective Investment Schemes	0.00	-	-	-

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%
Commissions	0.01	0.01
Taxes	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 and fixed income have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

## Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/20: 0.04%).

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

for the year ended 31st October 2021

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	56,531	(4,090)	227,187	(6,459)
Level 2	1,830,437	-	1,186,194	(10,566)
Level 3	-	-	-	-
Total fair value	1,886,968	(4,090)	1,413,381	(17,025)

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

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

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

# SPW Asset Allocator Fund

## Distribution Tables

for the year ended 31st October 2021

### Distribution in pence per share

Group 1 Interim Shares purchased prior to 1st November 2020

Final Shares purchased prior to 1st May 2021

Group 2 Interim Shares purchased on or between 1st November 2020 and 30th April 2021

Final Shares purchased on or between 1st May 2021 and 31st October 2021

### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Interim	-	-	-	0.4009
Final	0.1351	-	0.1351	0.6450
Group 2	(p)	(p)	(p)	(p)
Interim	-	-	-	0.4009
Final	0.1351	-	0.1351	0.6450

### Share Class P - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Interim	0.3811	-	0.3811	1.0104
Final	0.6780	-	0.6780	1.1073
Group 2	(p)	(p)	(p)	(p)
Interim	0.2340	0.1471	0.3811	1.0104
Final	0.4562	0.2218	0.6780	1.1073

### Share Class Q - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Interim	0.4117	-	0.4117	1.0411
Final	0.7205	-	0.7205	1.1361
Group 2	(p)	(p)	(p)	(p)
Interim	0.2261	0.1856	0.4117	1.0411
Final	0.4917	0.2288	0.7205	1.1361

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

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

Interim - 48.16% of the dividend is received as non-taxable income.

Interim - 51.84% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

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

Final - 47.45% of the dividend is received as non-taxable income.

Final - 52.55% 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 31st October 2021

Investment Objective

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

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

Investment Policy

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

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

The Fund will invest within the following ranges:

Equity and equity related securities: 20% – 70%

Fixed and floating rate securities: 10% – 60%

Alternative assets: 0% – 30%

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

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management').

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

Synthetic Risk and Reward Indicator

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

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 28th September 2021.	Typically lower rewards, lower risks							
	Typically higher rewards, higher risks							
	←	1	2	3	4	5	6	7

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

for the year ended 31st October 2021

**Investment Review**

<b>Performance</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>16/09/19 to 31/10/19 %</b>
SPW Balanced Solution A Accumulation	17.38	(7.71)	n/a

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

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

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 17.4% in the 12 months to 31 October 2021.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more than four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021



# SPW Balanced Solution

## Portfolio Statement

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.15%, 31/10/20 99.60%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	593,794	6,753	1.49
iShares North America Index Fund S Acc GBP	424,629	4,400	0.97
Nordea 1 Diversified Return Fund BD GBP Acc	104,847	13,630	3.00
Schroder Multi-Asset Total Return X GBP (Hedged) Acct	122,194	13,863	3.06
Schroder Sterling Liquidity Fund X Inc†	30,349,598	30,350	6.69
Schroders Personal Wealth Multi-Manager	23,678,527	23,068	5.09
Asia ex Japan & Global Emerging Markets Equity X GBP Acct			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct	18,979,342	19,587	4.32
Schroders Personal Wealth Multi-Manager	22,726,416	22,885	5.04
Global High Income & Emerging Markets Fund Q Acct			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	105,217,203	106,269	23.42
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Acct	6,607,278	18,798	4.14
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct	25,188,941	25,083	5.53
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct	10,047,567	10,238	2.26
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct	74,759,257	79,245	17.47
Schroders Personal Wealth Multi-Manager UK Equity Fund A Acct	19,600,567	50,765	11.19
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	601,495	6,279	1.38
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	63,726	7,265	1.60
		438,478	96.65
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	420,743	6,836	1.50
		6,836	1.50
<b>TOTAL FINANCIALS</b>		<b>445,314</b>	<b>98.15</b>
<b>DERIVATIVES (0.21%, 31/10/20 -0.07%)</b>			
<b>Forward Currency Contracts</b>			
Bought JPY3,106,000 for GBP19,750 Settlement 24/11/2021~		0	0.00
Bought USD22,991,000 for GBP16,660,628 Settlement 24/11/2021		23	0.01
Sold EUR15,694,000 for GBP13,251,621 Settlement 24/11/2021		(36)	(0.01)
		(13)	0.00

**Portfolio Statement**

(continued)

as at 31st October 2021

	<b>Holdings</b>	<b>Market Value £000</b>	<b>Total Net Assets %</b>
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(28)	(115)	(0.02)
E Mini Russell 2000 Index Futures December 2021	108	232	0.05
Euro BUXL 30 Year Bund Futures December 2021	(25)	37	0.01
EURO STOXX 50 Index Futures December 2021	64	54	0.01
FTSE 100 Index Futures December 2021	302	499	0.11
Mini TOPIX Index Futures December 2021~	(6)	1	0.00
MSCI Emerging Markets Index Futures December 2021	(11)	19	0.00
MSCI Emerging Markets Index Futures December 2021	96	(39)	(0.01)
S&P 500 E Mini Index Futures December 2021	(1)	(3)	0.00
UK Long Gilt Futures December 2021	72	42	0.01
US Treasury Note 10 Year Ultra Bond Futures December 2021	(143)	236	0.05
		963	0.21
<b>TOTAL DERIVATIVES</b>		<b>950</b>	<b>0.21</b>
<b>Portfolio of investments^</b>		<b>446,264</b>	<b>98.36</b>
<b>Net other assets</b>		<b>7,423</b>	<b>1.64</b>
<b>Total net assets</b>		<b>453,687</b>	<b>100.00</b>

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

Derivative can be exchange traded or over the counter (OTC) contracts.

^Including investment liabilities.

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

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

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

**Material Portfolio Changes**

for the year ended 31st October 2021

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroders PersonalWealth Multi-Manager International Equity Fund X Acct†	144,467	Schroders Personal Wealth Multi-Manager International Equity Fund A Acct†	154,030
Schroder Sterling Liquidity Fund X Inc†‡	124,935	Schroder Sterling Liquidity Fund X Inc†‡	123,193
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct†	115,174	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund A Acct†	54,820
Schroders Personal Wealth Multi-Manager International Equity Fund A Acct†	32,674	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	54,321
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct†	25,184	Aberdeen UK Property Feeder Unit Trust A Acc	42,378
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Acct†	22,732	iShares Core GBP Corporate Bond UCITS#	25,676
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	16,799	Aberdeen Standard Corporate Bond Fund A Inc	22,583
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc#	10,766	Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct†	16,476
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	7,279	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	16,457
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	6,801	Schroder Multi-Asset Total Return X GBP (Hedged) Acct†	14,215

The above 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 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Balanced Solution

### Comparative Table

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	161.69	175.22	176.11
Return before operating charges*	30.61	(10.54)	(0.46)
Operating charges	(2.65)	(2.99)	(0.43)
Return after operating charges*	27.96	(13.53)	(0.89)
Distributions	(0.93)	(1.99)	(0.72)
Retained distributions on accumulation shares	0.93	1.99	0.72
Closing net asset value per share	189.65	161.69	175.22
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges^	17.29%	(7.72)%	(0.51)%
<b>Other information</b>			
Closing net asset value (£000)	101,253	92,029	107,985
Closing number of shares	53,390,649	56,917,143	61,629,400
Operating charges#	1.46%	1.80%	1.88%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	191.20	180.40	176.70
Lowest share price	161.30	142.20	173.20

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 54 which is sourced from Lipper and based on daily published prices.

\*\*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 A Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	135.94	146.87	147.54
Return before operating charges*	25.72	(8.95)	(0.40)
Operating charges	(2.22)	(1.98)	(0.27)
Return after operating charges*	23.50	(10.93)	(0.67)
Distributions	(0.78)	(2.09)	(0.68)
Retained distributions on accumulation shares	0.78	2.09	0.68
Closing net asset value per share	159.44	135.94	146.87
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges	17.29%	(7.44)%	(0.45)%
<b>Other information</b>			
Closing net asset value (£000)	351,470	322,189	375,404
Closing number of shares	220,444,024	237,015,692	255,607,200
Operating charges#	1.46%	1.42%	1.38%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	160.80	151.40	148.00
Lowest share price	135.60	119.30	145.20

#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.

Share Class G Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	196.83	210.72	211.42
Return before operating charges*	36.85	(13.45)	(0.64)
Operating charges	(0.69)	(0.44)	(0.06)
Return after operating charges*	36.16	(13.89)	(0.70)
Distributions	(3.20)	(4.87)	(1.23)
Retained distributions on accumulation shares	3.20	4.87	1.23
Closing net asset value per share	232.99	196.83	210.72
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges	18.37%	(6.59)%	(0.33)%
<b>Other information</b>			
Closing net asset value (£000)	964	814	352,648
Closing number of shares	413,568	413,568	167,354,400
Operating charges#	0.31%	0.21%	0.23%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	234.60	217.60	212.20
Lowest share price	196.40	171.90	208.10

#Operating charges are representative of the ongoing charges figure.

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

Share Class X Accumulation was launched on 16th September 2019.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

## Statement of Total Return

for the year ended 31st October 2021

	Notes	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Income			
Net capital gains/(losses)	2	68,236	(88,150)
Revenue	3	6,117	14,932
Expenses	4	(3,693)	(2,830)
Interest payable and similar charges		(109)	(18)
Net revenue before taxation		2,315	12,084
Taxation	5	(128)	(1,724)
Net revenue after taxation		2,187	10,360
<b>Total return before distributions</b>		<b>70,423</b>	<b>(77,790)</b>
Distributions	6	(2,264)	(10,509)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>68,159</b>	<b>(88,299)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2021

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Opening net assets attributable to shareholders</b>	<b>415,032</b>	<b>836,037</b>
Amounts receivable on creation of shares	1,898	3,994
Less: Amounts payable on cancellation of shares	(33,628)	(342,813)
	(31,730)	(338,819)
Dilution adjustment	1	(1)
Change in net assets attributable to shareholders from investment activities	68,159	(88,299)
Retained distributions on accumulation shares	2,225	6,114
<b>Closing net assets attributable to shareholders</b>	<b>453,687</b>	<b>415,032</b>

Notes to the Financial Statements are on pages 63 to 70.

# SPW Balanced Solution

## Balance Sheet

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		416,107	385,193
<b>Current assets</b>			
Debtors	8	28,837	836
Cash and bank balances	9	3,026	2,410
Cash equivalents‡		30,350	28,608
<b>Total assets</b>		<b>478,320</b>	<b>417,047</b>
<b>Liabilities</b>			
Investment liabilities		(193)	(737)
<b>Creditors</b>			
Bank overdrafts		(286)	(430)
Other creditors	10	(24,154)	(848)
<b>Total liabilities</b>		<b>(24,633)</b>	<b>(2,015)</b>
<b>Net assets attributable to shareholders</b>		<b>453,687</b>	<b>415,032</b>

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

Notes to the Financial Statements are on pages 63 to 70.



## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	61,592	(91,291)
Futures contracts	6,709	1,177
Forward currency contracts	(724)	1,225
ACD's periodic charge rebates taken to capital	506	729
Fund of funds rebates taken to capital	19	15
Currency gains/(losses)	145	(57)
Transaction charges	(11)	(10)
Compensation~	-	62
Net capital gains/(losses)*	68,236	(88,150)

~Prior year compensation received from Schroder Investment Management with regards to the trading error.

\*Includes realised gains of £25,343,000 and unrealised gains of £42,893,000 (31/10/20: realised losses of £65,627,000 and unrealised losses of £22,523,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	2,714	5,919
Interest distributions	1,829	2,463
Offshore distributions	1,340	4,746
Bank interest	-	3
Fund of funds rebates	234	1,801
Total revenue	6,117	14,932

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	3,631	2,751
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	49	65
Safe custody fees	3	4
	52	69
<b>Other expenses:</b>		
Audit fee	10	10
	10	10
Total expenses	3,693	2,830

Expenses include irrecoverable VAT.

The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £10,000 (31/10/20: £9,750).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	128	1,642
Corporation tax prior year adjustment	-	82
Double tax relief	(49)	(48)
Irrecoverable overseas tax	49	48
Total current tax	128	1,724

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	2,315	12,084
Corporation tax of 20% (2020: 20%)	463	2,417
<b>Effects of:</b>		
Non-taxable UK dividends*	(430)	(790)
Overseas non-taxable revenue*	(10)	(52)
Non-taxable income taken to capital*	29	-
Taxable income taken to capital	76	149
Irrecoverable overseas tax	49	48
Adjustments in respect of prior years	-	82
Income taxed in prior year	-	(82)
Double tax relief	(49)	(48)
Total tax charge for year (note 5a)	128	1,724

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

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

**(c) Deferred taxation:**

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

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Final	2,225	6,114
Add: Revenue deducted on cancellation of shares	41	4,410
Deduct: Revenue received on creation of shares	(2)	(15)
Net distribution for the year	2,264	10,509

Details of the distributions per share are set out in the Distribution Table on page 71.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	2,187	10,360
Tax charge on rebates taken to capital	77	149
Net distribution for the year	2,264	10,509

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	28,126	-
Amounts receivable for issue of shares	12	12
Accrued revenue	2	220
Fund of funds rebates receivable	21	227
Corporation tax recoverable	613	41
Income tax receivable	63	336
Total debtors	28,837	836

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	428	-
Amounts held at futures clearing houses and brokers	2,598	2,410
Total cash and bank balances	3,026	2,410

**10. Other creditors**

	31/10/21 £000	31/10/20 £000
Purchases awaiting settlement	23,431	-
Amounts payable for cancellation of shares	410	594
Accrued expenses	313	254
Total other creditors	24,154	848

**11. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £506,047 (31/10/20: £728,625).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD fees are disclosed in note 2 and 4, with £293,118 (31/10/20: 234,362) 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 325,746,095 shares (31/10/20: 210,457,981 shares) with a cost of £474,065,890 (31/10/20: £315,199,767) and sales of 208,715,928 shares (31/10/20: 219,248,215 shares) with sales proceeds of £379,948,568 (31/10/20: £337,532,137).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 337,276,889 shares (31/10/20: 102,327,876 shares) and value of £400,151,222 (31/10/20: £245,758,922) held at the year-end.

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

for the year ended 31st October 2021

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

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £4,464,758 (31/10/20: £2,687,201).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	31/10/21 %	31/10/20 %
ACD and associates of the ACD	0.00	0.20

**12. Share classes**

The sub-fund has three share classes in issue (31/10/2020: three).

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

	31/10/21 %
Share Class A - Accumulation:	1.15
Share Class G - Accumulation:	1.15
Share Class X - Accumulation:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 58 to 60.

The distributions per share class are given in the Distribution Table on page 71.

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation	56,917,143	342,888	(3,869,382)	53,390,649
Share Class G - Accumulation	237,015,692	831,413	(17,403,081)	220,444,024
Share Class X - Accumulation	413,568	-	-	413,568

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £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 53. The risks inherent in the sub-fund's investment portfolio are as follows:

**(a) Currency risk**

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

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

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

As at 31st October 2021, 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 an increase or decrease of approximately £104,167 (31/10/20: £132,986).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

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

Currency	Currency exposure	Currency exposure
	31/10/21 £000	31/10/20 £000
Australian dollar	13	-
Canadian dollar	-	(851)
Euro	(13,305)	(4,581)
Japanese yen	24	454
Swiss franc	-	6,527
US dollar	23,685	11,750
Total	10,417	13,299

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

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

The sub-fund's net cash holding of £427,778 (31/10/20: overdraft £187,075) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £2,311,788 (31/10/20: cash £2,166,921), whose rates are based on SONIA or its international equivalent.

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

*(c) Derivatives and other financial instruments*

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

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

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

Financial derivative instrument exposure - fair value	31/10/21	31/10/20
	£000	£000
Exchange traded derivatives	1,120	362
Forward currency contracts	23	61
Total Financial derivative instrument exposure	1,143	423

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.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**14. Risk management policies, derivatives and other financial instruments (continued)****Counterparties to financial derivative instruments and efficient portfolio management techniques**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
HSBC Bank - Forward currency contracts	-	45
Lloyds Bank - Forward currency contracts	-	4
Morgan Stanley - Forward currency contracts	23	3
Royal Bank of Canada - Forward currency contracts	-	1
UBS - Forward currency contracts	-	(6)
BNP Paribas - Forward currency contracts	(36)	-
Merrill Lynch - Futures contracts	963	(361)
Total counterparty exposure	<b>950</b>	<b>(314)</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>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	2,576	2,315
AUD Cash - Merrill Lynch	13	-
EUR Cash - Merrill Lynch	7	11
JPY Cash - Merrill Lynch	3	84
USD Cash - Merrill Lynch	(286)	(243)

**(d) Liquidity risk**

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

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

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

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

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

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

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

As at 31st October 2021, 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 £4,462,637 (31/10/20: £4,130,643).

**(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

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

forward transactions, the low margin deposits normally required may lead to a higher degree of leverage, which may also lead to greater fluctuations in the price of a sub-fund.

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

	31/10/21	31/10/20
	%	%
Gross leverage	114.95	129.69
Commitment leverage	35.29	2.99

## (g) Credit risk

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

## 15. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000	£000	£000
Collective Investment Schemes	538,502	381,883	572,916	719,022
<b>Commissions</b>				
Collective Investment Schemes~	0	-	-	-
Futures	9	11	(9)	(11)
Total commissions	9	11	(9)	(11)
<b>Total net trades in the year after transaction costs</b>	<b>538,511</b>	<b>381,894</b>	<b>572,907</b>	<b>719,011</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

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

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%	%	%
<b>Commissions</b>				
Collective Investment Schemes	0.00	-	-	-

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equities, futures contracts, broker commissions and transfer taxes may be paid on each transaction. 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.

## Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.02% (31/10/20: 0.02%).

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

for the year ended 31st October 2021

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	7,956	(157)	24,364	(723)
Level 2	438,501	(36)	389,437	(14)
Level 3	-	-	-	-
Total fair value	446,457	(193)	413,801	(737)

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

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

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



## SPW Balanced Solution

### Distribution Table

for the year ended 31st October 2021

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st November 2020

Group 2 Final Shares purchased on or between 1st November 2020 and 31st October 2021

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.9263	-	0.9263	1.9886
Group 2	(p)	(p)	(p)	(p)
Final	0.7303	0.1960	0.9263	1.9886

#### Share Class G - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.7787	-	0.7787	2.0937
Group 2	(p)	(p)	(p)	(p)
Final	0.6100	0.1687	0.7787	2.0937

#### Share Class X - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	3.1966	-	3.1966	4.8684
Group 2	(p)	(p)	(p)	(p)
Final	3.1966	-	3.1966	4.8684

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

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

Final - 79.75% of the dividend is received as non-taxable income.

Final - 13.10% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Final - 7.15% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

## Investment Markets Overview

for the year ended 31st October 2021

### Investment Objective

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

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

### Investment Policy

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

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

The Fund will invest within the following ranges:

Equity and equity related securities; 0% – 40%

Fixed and floating rate securities: 30% – 80%

Alternative assets : 0% – 30%

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

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management').

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

### Synthetic Risk and Reward Indicator

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

<p>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.</p> <p>*As disclosed in the key investor information document dated 1st October 2021.</p>	<div style="text-align: center;"> <p>Typically lower rewards, lower risks</p> <p>←</p> <p>Typically higher rewards, higher risks</p> <p>→</p> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;"> <span>1</span><span>2</span><span>3</span><span style="background-color: #cccccc;">4</span><span>5</span><span>6</span><span>7</span> </div>						
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**Investment Markets Overview**

(continued)

for the year ended 31st October 2021

**Investment Review**

<b>Performance</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>16/09/19 to 31/10/19 %</b>
SPW Cautious Solution A Accumulation	7.38	(2.65)	n/a

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

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

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 7.4% in the 12 months to 31 October 2021.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

**Portfolio Statement**

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (97.79%, 31/10/20 99.28%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	348,659	3,965	0.98
iShares North America Index Fund S Acc GBP	266,800	2,765	0.69
Nordea 1 Diversified Return Fund BD GBP Acc	108,587	14,116	3.50
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	3,006,991	41,256	10.24
Schroder Multi-Asset Total Return X GBP (Hedged) Acct	130,882	14,848	3.68
Schroder Sterling Liquidity Fund X Inc	16,695,053	16,695	4.14
Schroders Personal Wealth Multi-Manager	7,496,008	7,303	1.81
Asia ex Japan & Global Emerging Markets Equity X GBP Acct			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct	5,963,610	6,154	1.53
Schroders Personal Wealth Multi-Manager	32,157,022	32,382	8.03
Global High Income & Emerging Markets Fund Q Acct			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	128,515,217	129,800	32.21
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Inc	8,264,953	16,224	4.03
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct	42,097,831	41,921	10.40
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct	3,279,504	3,342	0.83
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct	20,854,397	22,106	5.49
Schroders Personal Wealth Multi-Manager UK Equity Fund A Acct	6,208,328	16,080	3.99
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	1,007,230	10,515	2.61
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	91,939	10,481	2.60
		389,953	96.76
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	255,024	4,143	1.03
		4,143	1.03
<b>TOTAL FINANCIALS</b>		<b>394,096</b>	<b>97.79</b>
<b>DERIVATIVES (0.11%, 31/10/20 0.03%)</b>			
<b>Forward Currency Contracts</b>			
Bought JPY17,890,000 for GBP113,758 Settlement 24/11/2021		1	0.00
Bought USD16,823,000 for GBP12,190,933 Settlement 24/11/2021		17	0.00
Sold EUR5,440,000 for GBP4,593,400 Settlement 24/11/2021		(13)	0.00
		5	0.00

**Portfolio Statement**

(continued)

as at 31st October 2021

	<b>Holdings</b>	<b>Market Value £000</b>	<b>Total Net Assets %</b>
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(18)	(74)	(0.02)
E Mini Russell 2000 Index Futures December 2021	97	208	0.05
Euro BUXL 30 Year Bund Futures December 2021	(22)	33	0.01
EURO STOXX 50 Index Futures December 2021	57	48	0.01
FTSE 100 Index Futures December 2021	140	43	0.01
Mini TOPIX Index Futures December 2021~	1	0	0.00
MSCI Emerging Markets Index Futures December 2021	1	(1)	0.00
MSCI Emerging Markets Index Futures December 2021	86	(35)	(0.01)
S&P 500 E Mini Index Futures December 2021	(8)	(26)	0.00
UK Long Gilt Futures December 2021	65	38	0.01
US Treasury Note 10 Year Ultra Bond Futures December 2021	(128)	211	0.05
		445	0.11
<b>TOTAL DERIVATIVES</b>		<b>450</b>	<b>0.11</b>
<b>Portfolio of investments^</b>		<b>394,546</b>	<b>97.90</b>
<b>Net other assets</b>		<b>8,455</b>	<b>2.10</b>
<b>Total net assets</b>		<b>403,001</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).

^Including investment liabilities.

†This investment is a related party (see note 12).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

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

**Material Portfolio Changes**

for the year ended 31st October 2021

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	166,938	Schroder Sterling Liquidity Fund X Inc†‡	196,694
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	138,854	iShares Core GBP Corporate Bond UCITS#	95,625
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	52,198	Schroders Personal Wealth Multi-Manager International Equity Fund A Acct	51,180
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct	47,172	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	50,945
Schroders Personal Wealth Multi-Manager International Equity Fund X Acct	46,945	Aberdeen UK Property Feeder Unit Trust A Inc	33,981
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Acc	32,748	Aberdeen Corporate Bond Fund A Inc	33,981
Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	14,077	Invesco Corporate Bond Fund UK Z Inc	22,581
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	10,613	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund A Acct	20,711
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	10,502	Schroder Multi-Asset Total Return X GBP (Hedged) Acct	19,856
Schroders Personal Wealth Multi-Manager International Equity Fund A Acct	9,498	Lyxor Commodities Refinitiv/CoreCommodity CRB TR#	13,057

The above 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 12).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Fund.

**Comparative Table**

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	150.37	154.49	154.57
Return before operating charges*	12.68	(1.82)	0.25
Operating charges	(1.83)	(2.30)	(0.33)
Return after operating charges*	10.85	(4.12)	(0.08)
Distributions	(1.62)	(2.63)	(0.32)
Retained distributions on accumulation shares	1.62	2.63	0.32
Closing net asset value per share	161.22	150.37	154.49
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges^	7.22%	(2.67)%	(0.05)%
<b>Other information</b>			
Closing net asset value (£000)	54,783	54,307	61,727
Closing number of shares	33,981,289	36,115,300	39,954,700
Operating charges#	1.16%	1.52%	1.62%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	163.30	157.60	155.30
Lowest share price	149.90	135.00	153.70

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 73 which is sourced from Lipper and based on daily published prices.

\*\*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 A Accumulation (Gross) was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class A - Income (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	108.06	112.99	113.28
Return before operating charges*	9.10	(1.35)	0.18
Operating charges	(1.31)	(1.67)	(0.24)
Return after operating charges*	7.79	(3.02)	(0.06)
Distributions	(1.16)	(1.91)	(0.23)
Closing net asset value per share	114.69	108.06	112.99
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	7.21%	(2.67)%	(0.05)%
<b>Other information</b>			
Closing net asset value (£000)	9,001	8,019	9,047
Closing number of shares	7,847,759	7,420,775	8,006,700
Operating charges#	1.16%	1.52%	1.62%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	116.50	115.20	113.80
Lowest share price	107.70	98.34	112.60

#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.

Share Class A Income (Gross) was launched on 16th September 2019.



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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Accumulation (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	127.49	130.49	130.48
Return before operating charges*	10.74	(1.54)	0.20
Operating charges	(1.55)	(1.46)	(0.19)
Return after operating charges*	9.19	(3.00)	0.01
Distributions	(1.37)	(2.71)	(0.36)
Retained distributions on accumulation shares	1.37	2.71	0.36
Closing net asset value per share	136.68	127.49	130.49
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	7.21%	(2.30)%	0.01%
<b>Other information</b>			
Closing net asset value (£000)	326,879	330,042	365,805
Closing number of shares	239,149,972	258,879,468	280,324,300
Operating charges#	1.16%	1.15%	1.12%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	138.50	133.30	131.10
Lowest share price	127.10	114.20	129.80

#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.

Share Class G Accumulation (Gross) was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Income (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	107.14	112.02	112.31
Return before operating charges*	9.01	(1.32)	0.19
Operating charges	(1.30)	(1.25)	(0.17)
Return after operating charges*	7.71	(2.57)	0.02
Distributions	(1.14)	(2.31)	(0.31)
Closing net asset value per share	113.71	107.14	112.02
*after direct transaction cost of:	0.00	0.00	0.00
<b>Performance</b>			
Return after charges	7.20%	(2.29)%	0.02%
<b>Other information</b>			
Closing net asset value (£000)	12,338	12,094	13,364
Closing number of shares	10,849,954	11,288,333	11,930,400
Operating charges#	1.16%	1.15%	1.12%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	115.50	114.30	112.80
Lowest share price	106.80	97.56	111.70

#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.

Share Class G Income (Gross) was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation (Gross)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	181.07	180.84
Return before operating charges*	(12.80)	0.30
Operating charges	(0.22)	(0.07)
Return after operating charges*	(13.02)	0.23
Distributions	(1.32)	(0.70)
Retained distributions on accumulation shares	1.32	0.70
Return to shareholder as a result of class closure	(168.05)	-
Closing net asset value per share	-	181.07
*after direct transaction cost of:	0.00	0.00
<b>Performance</b>		
Return after charges	(7.19)%	0.13%
<b>Other information</b>		
Closing net asset value (£000)	-	211,119
Closing number of shares	-	116,595,100
Operating charges#	0.25%	0.28%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	185.50	181.80
Lowest share price	159.00	180.10

#Operating charges are representative of the ongoing charges figure.

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

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation was launched on 16th September 2019 and closed on 24th April 2020.

**Statement of Total Return**

for the year ended 31st October 2021

		01/11/20 to 31/10/21	01/11/19 to 31/10/20
	Notes	£000	£000
Income			
Net capital gains/(losses)	2	24,694	(36,725)
Revenue	3	7,257	14,672
Expenses	4	(3,027)	(3,122)
Interest payable and similar charges		(90)	(7)
Net revenue before taxation		4,140	11,543
Taxation	5	(41)	(73)
Net revenue after taxation		4,099	11,470
<b>Total return before distributions</b>		<b>28,793</b>	<b>(25,255)</b>
Distributions	6	(4,186)	(11,537)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>24,607</b>	<b>(36,792)</b>

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

for the year ended 31st October 2021

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>404,462</b>	<b>661,062</b>
Amounts receivable on creation of shares	4,361	2,260
Less: Amounts payable on cancellation of shares	(34,369)	(231,755)
	(30,008)	(229,495)
Dilution adjustment	2	2
Change in net assets attributable to shareholders from investment activities	24,607	(36,792)
Retained distributions on accumulation shares	3,937	9,685
Unclaimed distributions	1	-
<b>Closing net assets attributable to shareholders</b>	<b>403,001</b>	<b>404,462</b>

Notes to the Financial Statements are on pages 84 to 91.

**Balance Sheet**

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		378,000	355,852
<b>Current assets</b>			
Debtors	8	24,933	1,853
Cash and bank balances	9	1,869	1,809
Cash equivalents‡		16,695	46,451
<b>Total assets</b>		<b>421,497</b>	<b>405,965</b>
<b>Liabilities</b>			
Investment liabilities		(149)	(633)
Provision for liabilities	10	(22)	(14)
<b>Creditors</b>			
Bank overdrafts		(241)	(17)
Distribution payable		(67)	(83)
Other creditors	11	(18,017)	(756)
<b>Total liabilities</b>		<b>(18,496)</b>	<b>(1,503)</b>
<b>Net assets attributable to shareholders</b>		<b>403,001</b>	<b>404,462</b>

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

Notes to the Financial Statements are on pages 84 to 91.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	23,176	(40,510)
Futures contracts	2,975	1,658
Forward currency contracts	(2,173)	1,819
ACD's periodic charge rebates taken to capital	615	366
Fund of funds rebates taken to capital	13	-
Currency gains/(losses)	99	(49)
Transaction charges	(11)	(9)
Net capital gains/(losses)*	24,694	(36,725)

\*Includes realised gains of £4,359,000 and unrealised gains of £20,335,000 (31/10/20: realised losses of £22,099,000 and unrealised losses of £14,626,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	1,908	3,057
Interest distributions	2,557	5,100
Offshore distributions	2,558	4,191
Bank interest	-	2
Fund of funds rebates	234	2,322
Total revenue	7,257	14,672

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	2,965	3,051
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	45	57
Safe custody fees	7	4
	52	61
<b>Other expenses:</b>		
Audit fee	10	10
	10	10
Total expenses	3,027	3,122

Expenses include irrecoverable VAT.

The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £10,000 (31/10/20: £9,750).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	108	154
Corporation tax prior year adjustment	(75)	-
Double tax relief	(35)	(28)
Irrecoverable overseas tax	35	28
Total current tax	33	154
Total deferred tax (note 5c)	8	(81)
Total taxation (note 5b)	41	73

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	4,140	11,543
Corporation tax of 20% (2020: 20%)	828	2,309
<b>Effects of:</b>		
Non-taxable UK dividends*	(293)	(334)
Overseas non-taxable revenue*	(22)	(53)
Taxable income taken to capital	126	73
Irrecoverable overseas tax	35	28
Adjustments in respect of prior years	(75)	-
Tax deductible interest distributions	(523)	(1,922)
Double tax relief	(35)	(28)
Total tax charge for year (note 5a)	41	73

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

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

**(c) Deferred taxation:**

	01/11/20 to 31/10/21 £000	31/10/20 to 31/10/20 £000
Provision at the start of the year	14	95
Deferred tax charge/(credit) in profit and loss account for the year (note 5a)	8	(81)
Provision at the end of the year	22	14
Provision consists of:		
Revenue taxable in different periods	22	14
Provision at the end of the year	22	14

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
First interim	1,185	3,653

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**6. Distributions (continued)**

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Second interim	469	1,925
Third interim	1,243	2,863
Final	1,256	1,655
	4,153	10,096
Add: Revenue deducted on cancellation of shares	36	1,448
Deduct: Revenue received on creation of shares	(3)	(7)
Net distributions for the year	4,186	11,537

*Details of the distributions per share are set out in the Distribution Tables on page 92.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	4,099	11,470
Undistributed revenue	6	(6)
Tax charge on rebates taken to capital	81	73
Net distributions for the year	4,186	11,537

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	24,502	-
Amounts receivable for issue of shares	2	197
Accrued revenue	88	982
Fund of funds rebates receivable	15	338
Income tax receivable	326	336
Total debtors	24,933	1,853

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	515	188
Amounts held at futures clearing houses and brokers	1,354	1,621
Total cash and bank balances	1,869	1,809

**10. Provision for liabilities**

	31/10/21 £000	31/10/20 £000
Deferred taxation	22	14

**11. Other creditors**

	31/10/21 £000	31/10/20 £000
Purchases awaiting settlement	17,550	-
Amounts payable for cancellation of shares	195	390
Accrued expenses	199	240
Corporation tax payable	73	126



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

for the year ended 31st October 2021

**11. Other creditors (continued)**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Total other creditors	18,017	756

**12. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £614,696 (31/10/20: £365,576).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD fees are disclosed in note 2 and 4, with £180,363 (31/10/20: 220,174) 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 401,213,365 shares (31/10/20: 148,277,446 shares) with a cost of £450,886,674 (31/10/20: £222,778,679) and sales of 243,431,625 shares (31/10/20: 118,016,669 shares) with sales proceeds of £317,667,499 (31/10/20: £148,426,113).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 271,662,804 shares (31/10/20: 75,392,613 shares) and value of £306,855,264 (31/10/20: £148,526,684) 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 £4,063,525 (31/10/20: £1,233,373).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>%</b>	<b>%</b>
ACD and associates of the ACD	0.00	0.05

**13. Share classes**

The sub-fund has four share classes in issue (31/10/2020: four).

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

	<b>31/10/21</b>
	<b>%</b>
Share Class A - Accumulation (Gross):	0.85
Share Class A - Income (Gross):	0.85
Share Class G - Accumulation (Gross):	0.85
Share Class G - Income (Gross):	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 77 to 81.

The distributions per share class are given in the Distribution Tables on pages 92 to 93.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation (Gross)	36,115,300	185,390	(2,319,401)	33,981,289
Share Class A - Income (Gross)	7,420,775	1,475,383	(1,048,399)	7,847,759
Share Class G - Accumulation (Gross)	258,879,468	621,690	(20,351,186)	239,149,972
Share Class G - Income (Gross)	11,288,333	1,425,836	(1,864,215)	10,849,954

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £nil).

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

A statement of the sub-fund's objective and the policy for achieving it has been included on page 72. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

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

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

As at 31st October 2021, 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 an increase or decrease of approximately £120,131 (31/10/20: £342,730).

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

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	12	34
Euro	(4,595)	3,648
Japanese yen	115	6,113
Swiss franc	-	6,248
US dollar	16,481	18,230
Total	12,013	34,273

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

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

The sub-fund's net cash holding of £514,463 (31/10/20: holding £187,995) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £1,112,810 (31/10/20: cash £1,604,056), 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

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

the requirements of EPM are satisfied. Derivative contracts were either traded on an eligible derivatives exchange or were Over the Counter (OTC) Forward Currency Contracts.

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

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

Financial derivative instrument exposure - fair value	31/10/21 £000	31/10/20 £000
Exchange traded derivatives	581	667
Forward currency contracts	18	100
Total Financial derivative instrument exposure	<b>599</b>	<b>767</b>

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

Counterparties to financial derivative instruments and efficient portfolio management techniques	31/10/21 £000	31/10/20 £000
BNP Paribas - Forward currency contracts	(13)	(2)
HSBC Bank - Forward currency contracts	-	39
Morgan Stanley International - Forward currency contracts	17	21
Bank of America - Forward currency contracts	1	(6)
Merrill Lynch - Futures contracts	445	82
Total counterparty exposure	<b>450</b>	<b>134</b>

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

Collateral	31/10/21 £000	31/10/20 £000
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	1,337	1,453
AUD Cash - Merrill Lynch	11	13
EUR Cash - Merrill Lynch	5	53
JPY Cash - Merrill Lynch	1	(17)
USD Cash - Merrill Lynch	(241)	102

## (d) Liquidity risk

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

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

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

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

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

The sub-fund invests principally in regulated collective investment schemes managed within the Scottish Widows Schroder Wealth Holdings Limited. The value of these collective investment schemes are not fixed and may go down as well as up. This may be the result of a specific factor affecting the value of an individual asset or be caused by general market factors (such as government policy or the health of the underlying economy) which can affect the entire portfolio. The Investment Adviser seeks to minimise these risks by holding a diversified portfolio of collective

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

investment schemes in line with the sub-fund's objectives. In addition, the management of the sub-fund complies with the restricted investment limits under the Financial Conduct Authority Rules. The restricted investment limits are summarised in the investment and borrowing powers of the Company set out in the Prospectus.

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

As at 31st October 2021, if the price of investments held by the sub-fund increased or decreased by 1%, the resulting change in net assets attributable to shareholders would have been an increase or decrease of approximately 1%; which for this sub-fund would equate to £3,945,465 (31/10/20: £4,016,703).

*(f) Leverage*

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

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

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

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

	31/10/21	31/10/20
	%	%
Gross leverage	111.51	153.69
Commitment leverage	22.17	1.47

*(g) Credit risk*

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

**16. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000	£000	£000
Collective Investment Schemes	556,504	353,368	590,924	572,066
<b>Commissions</b>				
Collective Investment Schemes~	0	-	-	-
Futures	7	7	(7)	(7)
Total commissions	7	7	(7)	(7)
<b>Total net trades in the year after transaction costs</b>	<b>556,511</b>	<b>353,375</b>	<b>590,917</b>	<b>572,059</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	Purchases		Sales	
	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %
Collective Investment Schemes	0.00	-	-	-

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

	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %
Commissions	0.00	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (31/10/20: 0.07%).

**17. Fair value**

Valuation technique	31/10/21		31/10/20	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	4,724	(136)	94,959	(585)
Level 2	389,971	(13)	307,344	(48)
Level 3	-	-	-	-
Total fair value	394,695	(149)	402,303	(633)

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

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

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

## SPW Cautious Solution

### Distribution Tables

for the year ended 31st October 2021

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2020  
 Second interim Shares purchased prior to 1st February 2021  
 Third interim Shares purchased prior to 1st May 2021  
 Final Shares purchased prior to 1st August 2021

Group 2 First interim Shares purchased on or between 1st November 2020 and 31st January 2021  
 Second interim Shares purchased on or between 1st February 2021 and 30th April 2021  
 Third interim Shares purchased on or between 1st May 2021 and 31st July 2021  
 Final Shares purchased on or between 1st August 2021 and 31st October 2021

#### Share Class A - Accumulation (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.4463	-	0.4463	0.5935
Second interim	0.1798	-	0.1798	0.5388
Third interim	0.4883	-	0.4883	0.8856
Final	0.5036	-	0.5036	0.6155
Group 2	(p)	(p)	(p)	(p)
First interim	0.2820	0.1643	0.4463	0.5935
Second interim	0.1192	0.0606	0.1798	0.5388
Third interim	0.2905	0.1978	0.4883	0.8856
Final	0.3577	0.1459	0.5036	0.6155

#### Share Class A - Income (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.3207	-	0.3207	0.4340
Second interim	0.1296	-	0.1296	0.3925
Third interim	0.3496	-	0.3496	0.6429
Final	0.3556	-	0.3556	0.4441
Group 2	(p)	(p)	(p)	(p)
First interim	0.1546	0.1661	0.3207	0.4340
Second interim	0.1269	0.0027	0.1296	0.3925
Third interim	0.2844	0.0652	0.3496	0.6429
Final	0.3027	0.0529	0.3556	0.4441

#### Share Class G - Accumulation (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.3785	-	0.3785	0.6668
Second interim	0.1523	-	0.1523	0.6073
Third interim	0.4129	-	0.4129	0.9108
Final	0.4260	-	0.4260	0.5217
Group 2	(p)	(p)	(p)	(p)
First interim	0.1929	0.1856	0.3785	0.6668
Second interim	0.0782	0.0741	0.1523	0.6073
Third interim	0.2591	0.1538	0.4129	0.9108

## SPW Cautious Solution

### Distribution Tables

(continued)

for the year ended 31st October 2021

Final	0.2787	0.1473	0.4260	0.5217
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#### Share Class G - Income (Gross)

	Gross revenue (p)	Equalisation (p)	Distributions paid/payable to 31/12/2021 (p)	Distributions paid to 31/12/2020 (p)
Group 1				
First interim	0.3180	-	0.3180	0.5724
Second interim	0.1272	-	0.1272	0.5185
Third interim	0.3432	-	0.3432	0.7745
Final	0.3563	-	0.3563	0.4402
Group 2				
First interim	0.1153	0.2027	0.3180	0.5724
Second interim	0.1264	0.0008	0.1272	0.5185
Third interim	0.2261	0.1171	0.3432	0.7745
Final	0.2480	0.1083	0.3563	0.4402

Share Class X Accumulation (Gross) was closed on 24th April 2020.

## Investment Markets Overview

for the year ended 31st October 2021

### 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 3.1% MSCI North America (Net Total Return) index, 0.7% MSCI Europe ex UK (Net Total Return) index, 0.4% MSCI Japan (Net Total Return) index, 0.4% MSCI AC Asia ex Japan (Net Total Return) index, 0.4% MSCI Emerging Markets (Net Total Return) index, 3% MSCI UK IMI (Gross Total Return) index, 15% Bloomberg Barclays Global Treasury Value GBP Hedged index, 54% Bloomberg Barclays Global Aggregate Corporate Value GBP Hedged index, 5% Bloomberg Barclays Global High Yield Corporate Value GBP Hedged index, 5% Bloomberg Barclays Emerging Market Debt Value GBP Hedged index, 2% MSCI World IMI Core Real Estate (Net Total Return) index, 8% SONIA plus 2%, 3% SONIA.

### Investment Policy

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

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

The Fund will invest within the following ranges:

Equity and equity related securities: 0% – 30%

Fixed and floated rate securities: 40% – 90%

Alternative assets: 0% – 30%

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

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management').

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

### Synthetic Risk and Reward Indicator

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

<p>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 to high levels of volatility over the past 5 years.</p> <p>*As disclosed in the key investor information document dated 28th September 2021.</p>	<div><div>Typically lower rewards, lower risks</div><div>Typically higher rewards, higher risks</div><div><div>←</div><div>→</div></div><table><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td></tr></table></div>							1	2	3	4	5	6	7
1	2	3	4	5	6	7								



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

for the year ended 31st October 2021

**Investment Review**

<b>Performance</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>16/09/19 to 31/10/19 %</b>
SPW Defensive Solution A Accumulation	4.18	(1.12)	n/a

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

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

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 4.2% in the 12 months to 31 October 2021.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more than four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

# SPW Defensive Solution

## Portfolio Statement

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.02%, 31/10/20 98.83%)</b>			
<b>Collective Investment Schemes</b>			
Nordea 1 Diversified Return Fund BD GBP Acc	4,568	594	3.95
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	211,673	2,904	19.32
Schroder Multi-Asset Total Return X GBP (Hedged) Acct	5,308	602	4.00
Schroder Sterling Liquidity Fund X Inc†	438,034	438	2.91
Schroders Personal Wealth Multi-Manager	127,399	124	0.83
Asia ex Japan & Global Emerging Markets Equity X GBP Acct			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct	95,135	98	0.65
Schroders Personal Wealth Multi-Manager	1,498,586	1,509	10.04
Global High Income & Emerging Markets Fund Q Acct			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	4,907,737	4,957	32.97
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Inc†	154,816	304	2.02
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct	1,839,944	1,832	12.19
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct	55,737	57	0.38
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct	355,414	377	2.51
Schroders Personal Wealth Multi-Manager UK Equity Fund A Acct	147,516	382	2.54
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	43,292	452	3.01
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	922	105	0.70
		14,735	98.02
<b>TOTAL FINANCIALS</b>		<b>14,735</b>	<b>98.02</b>
<b>DERIVATIVES (0.14%, 31/10/20 0.06%)</b>			
<b>Forward Currency Contracts</b>			
Bought JPY1,295,000 for GBP8,235 Settlement 24/11/2021~		0	0.00
Bought USD513,000 for GBP371,750 Settlement 24/11/2021~		0	0.00
Sold EUR71,000 for GBP59,951 Settlement 24/11/2021~		0	0.00
		0	0.00

**Portfolio Statement**

(continued)

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(2)	(1)	0.00
E Mini Russell 2000 Index Futures December 2021	4	8	0.05
Euro BUXL 30 Year Bund Futures December 2021	(1)	2	0.01
EURO STOXX 50 Index Futures December 2021	2	3	0.02
FTSE 100 Index Futures December 2021	3	1	0.01
MSCI Emerging Markets Index Futures December 2021	3	(1)	(0.01)
S&P 500 Micro E Mini Index Futures December 2021~	(3)	0	0.00
UK Long Gilt Futures December 2021	2	1	0.01
US Treasury Note 10 Year Ultra Bond Futures December 2021	(5)	8	0.05
		21	0.14
<b>TOTAL DERIVATIVES</b>		<b>21</b>	<b>0.14</b>
<b>Portfolio of investments^</b>		<b>14,756</b>	<b>98.16</b>
<b>Net other assets</b>		<b>277</b>	<b>1.84</b>
<b>Total net assets</b>		<b>15,033</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.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

^Including investment liabilities.

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

‡Cash equivalents.

♦Asset managed by the Investment Adviser.

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

**Material Portfolio Changes**

for the year ended 31st October 2021

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	6,539	Schroder Sterling Liquidity Fund X Inc†‡	7,884
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct†	5,204	iShares Core GBP Corporate Bond UCITS#	4,421
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	3,219	Aberdeen Standard Corporate Bond Fund A Inc	1,484
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct†	2,104	Invesco Corporate Bond Fund (UK) Z Inc	1,382
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Acct†	1,541	Aberdeen UK Property Feeder Unit Trust A Inc	1,149
Schroders Personal Wealth Multi-Manager International Equity Fund X Acct†	829	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	1,130
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	455	Schroders Personal Wealth Multi-Manager International Equity Fund A Acct†	919
Nordea 1 Diversified Return Fund BD GBP Acc	270	Schroders Personal Wealth Multi-Asset Total Return X GBP (Hedged) Acct†	603
Lyxor Commodities Thomson Reuters UCITS#	237	Schroder Multi-Asset Total Return X GBP (Hedged) Acct†	588
iShares Core GBP Corporate Bond UCITS#	80	Payden Absolute Return Bond Fund GBP Acc	331

The above 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 11).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

#Exchange Traded Fund.

## SPW Defensive Solution

### Comparative Table

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	140.99	142.61	142.66
Return before operating charges*	7.36	0.52	0.26
Operating charges	(1.72)	(2.14)	(0.31)
Return after operating charges*	5.64	(1.62)	(0.05)
Distributions	(1.78)	(2.87)	(0.16)
Retained distributions on accumulation shares	1.78	2.87	0.16
Closing net asset value per share	146.63	140.99	142.61
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges^	4.00%	(1.14)%	(0.04)%
<b>Other information</b>			
Closing net asset value (£000)	3,395	3,449	3,699
Closing number of shares	2,315,193	2,445,980	2,593,900
Operating charges#	1.18%	1.53%	1.64%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	149.10	145.40	143.30
Lowest share price	140.50	127.20	142.00

#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 95 which is sourced from Lipper and based on daily published prices.

\*\*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 A Accumulation (Gross) was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class A - Income (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	103.47	106.82	106.98
Return before operating charges*	5.39	0.37	0.19
Operating charges	(1.25)	(1.59)	(0.23)
Return after operating charges*	4.14	(1.22)	(0.04)
Distributions	(1.30)	(2.13)	(0.12)
Closing net asset value per share	106.31	103.47	106.82
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges	4.00%	(1.14)%	(0.04)%
<b>Other information</b>			
Closing net asset value (£000)	531	499	528
Closing number of shares	499,677	482,027	494,300
Operating charges#	1.18%	1.53%	1.64%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	108.50	108.70	107.50
Lowest share price	103.10	94.97	106.50

#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.

Share Class A Income (Gross) was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Accumulation (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	125.23	126.20	126.16
Return before operating charges*	6.54	0.46	0.23
Operating charges	(1.53)	(1.43)	(0.19)
Return after operating charges*	5.01	(0.97)	0.04
Distributions	(1.59)	(3.01)	(0.22)
Retained distributions on accumulation shares	1.59	3.01	0.22
Closing net asset value per share	130.24	125.23	126.20
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges	4.00%	(0.77)%	0.03%
<b>Other information</b>			
Closing net asset value (£000)	10,560	10,822	11,587
Closing number of shares	8,107,390	8,641,212	9,181,700
Operating charges#	1.18%	1.15%	1.14%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	132.40	128.80	126.80
Lowest share price	124.80	112.80	125.60

#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.

Share Class G Accumulation (Gross) was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Income (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	106.65	110.11	110.27
Return before operating charges*	5.56	0.39	0.21
Operating charges	(1.29)	(1.24)	(0.17)
Return after operating charges*	4.27	(0.85)	0.04
Distributions	(1.34)	(2.61)	(0.20)
Closing net asset value per share	109.58	106.65	110.11
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges	4.00%	(0.77)%	0.04%
<b>Other information</b>			
Closing net asset value (£000)	547	561	736
Closing number of shares	498,988	526,137	668,500
Operating charges#	1.18%	1.15%	1.14%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	111.80	112.20	110.80
Lowest share price	106.30	97.96	109.80

#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.

Share Class G Income (Gross) was launched on 16th September 2019.



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

as at 31st October 2021

	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation (Gross)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	167.13	166.90
Return before operating charges*	(9.36)	0.29
Operating charges	(0.20)	(0.06)
Return after operating charges*	(9.56)	0.23
Distributions	(1.15)	(0.48)
Retained distributions on accumulation shares	1.15	0.48
Return to shareholder as a result of class closure	(157.56)	-
Closing net asset value per share	-	167.13
*after direct transaction cost of:	0.00	0.00
<b>Performance</b>		
Return after charges	(5.72)%	0.14%
<b>Other information</b>		
Closing net asset value (£000)	-	37,319
Closing number of shares	-	22,329,100
Operating charges#	0.26%	0.29%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	171.10	167.80
Lowest share price	149.90	166.30

#Operating charges are representative of the ongoing charges figure.

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

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

Share Class X Accumulation (Gross) was launched on 16th September 2019 and closed on 24th April 2020.

## Statement of Total Return

for the year ended 31st October 2021

		01/11/20 to 31/10/21	01/11/19 to 31/10/20
	Notes	£000	£000
Income			
Net capital gains/(losses)	2	434	(3,072)
Revenue	3	299	952
Expenses	4	(112)	(113)
Interest payable and similar charges		(4)	-
Net revenue before taxation		183	839
Taxation	5	2	(4)
Net revenue after taxation		185	835
<b>Total return before distributions</b>		<b>619</b>	<b>(2,237)</b>
Distributions	6	(190)	(837)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>429</b>	<b>(3,074)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2021

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>15,331</b>	<b>53,869</b>
Amounts receivable on creation of shares	91	1,449
Less: Amounts payable on cancellation of shares	(993)	(37,503)
	(902)	(36,054)
Change in net assets attributable to shareholders from investment activities	429	(3,074)
Retained distributions on accumulation shares	175	590
<b>Closing net assets attributable to shareholders</b>	<b>15,033</b>	<b>15,331</b>

Notes to the Financial Statements are on pages 106 to 114.

## SPW Defensive Solution

### Balance Sheet

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		14,320	13,399
<b>Current assets</b>			
Debtors	8	594	82
Cash and bank balances	9	54	130
Cash equivalents‡		438	1,783
<b>Total assets</b>		<b>15,406</b>	<b>15,394</b>
<b>Liabilities</b>			
Investment liabilities		(2)	(21)
<b>Creditors</b>			
Bank overdrafts		(10)	(1)
Distribution payable		(4)	(5)
Other creditors	10	(357)	(36)
<b>Total liabilities</b>		<b>(373)</b>	<b>(63)</b>
<b>Net assets attributable to shareholders</b>		<b>15,033</b>	<b>15,331</b>

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

Notes to the Financial Statements are on pages 106 to 114.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	423	(3,271)
Futures contracts	94	104
Forward currency contracts	(97)	89
ACD's periodic charge rebates taken to capital	22	18
Currency gains/(losses)	3	(4)
Transaction charges	(11)	(8)
Net capital gains/(losses)*	434	(3,072)

\*Includes realised losses of £70,000 and unrealised gains of £504,000 (31/10/20: realised losses of £2,653,000 and unrealised losses of £419,000). Included in realised losses for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	16/09/19 to 31/10/21 £000	16/09/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	58	167
Interest distributions	109	380
Offshore distributions	123	239
Fund of funds rebates	9	166
Total revenue	299	952

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	120	114
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	1	4
<b>Other expenses:</b>		
Audit fee	11	10
Expense capping adjustment**	(20)	(15)
	(9)	(5)
Total expenses	112	113

Expenses include irrecoverable VAT.

\*\*Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £10,000 (31/10/20: £9,750).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	4	10
Corporation tax prior year adjustment	(6)	-
Double tax relief	(1)	(2)
Irrecoverable overseas tax	1	3
Total current tax	(2)	11
Total deferred tax (note 5c)	-	(7)
Total taxation (note 5b)	(2)	4

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	183	839
Corporation tax of 20% (2020: 20%)	37	168
<b>Effects of:</b>		
Non-taxable UK dividends*	(9)	(15)
Overseas non-taxable revenue*	(1)	(5)
Non-taxable income taken to capital*	3	-
Taxable income taken to capital	2	4
Irrecoverable overseas tax	1	3
Adjustments in respect of prior years	(6)	-
Tax deductible interest distributions	(28)	(149)
Double tax relief	(1)	(2)
Total tax charge for year (note 5a)	(2)	4

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

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

**(c) Deferred taxation:**

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Provision at the start of the year	-	7
Deferred tax charge in profit and loss account for the year (note 5a)	-	(7)
Provision at the end of the year	-	-

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

for the year ended 31st October 2021

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
First interim	52	326
Second interim	22	56
Third interim	58	159
Final	57	74
	<hr/> 189	<hr/> 615
Add: Revenue deducted on cancellation of shares	1	228
Deduct: Revenue received on creation of shares	-	(6)
Net distributions for the year	<hr/> 190	<hr/> 837

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	185	835
Tax charge on rebates taken to capital	5	4
Provision for capital deferred tax	1	-
Double tax relief	(1)	(2)
Net distributions for the year	<hr/> 190	<hr/> 837

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	560	-
Amounts receivable for issue of shares	1	-
Accrued revenue	2	40
Fund of funds rebates receivable	-	15
Income tax receivable	22	24
Expense capping adjustment receivable	9	3
Total debtors	<hr/> 594	<hr/> 82

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	9	81
Amounts held at futures clearing houses and brokers	45	49
Total cash and bank balances	<hr/> 54	<hr/> 130

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

for the year ended 31st October 2021

**10. Other creditors**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Purchases awaiting settlement	330	-
Amounts payable for cancellation of shares	3	5
Accrued expenses	22	23
Corporation tax payable	2	8
Total other creditors	<u>357</u>	<u>36</u>

**11. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Personal Wealth Limited, which amount to £21,862 (31/10/20: £17,507).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD fees are disclosed in note 2 and 4, with £1,549 (31/10/20: £6,559) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 15,599,436 shares (31/10/20: 8,085,330 shares) with a cost of £16,374,463 (31/10/20: £12,434,300) and sales of 9,185,075 shares (31/10/20: 7,964,317 shares) with sales proceeds of £10,930,826 (31/10/20: £11,834,791).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 9,625,626 shares (31/10/20: 2,557,130 shares) and value of £10,680,088 (31/10/20: £4,623,286) 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 £141,950 (31/10/20: £56,835).

*Shares held by associates of the ACD*

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

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2020: two).

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

	<b>31/10/21</b>
	<b>%</b>
Share Class A - Accumulation (Gross):	0.85
Share Class A - Income (Gross):	0.85
Share Class G - Accumulation (Gross):	0.85
Share Class G - Income (Gross):	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 99 to 103.

The distributions per share class are given in the Distribution Tables on pages 115 to 116.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

## 12. Share classes (continued)

## Reconciliation of the shares movement in the year:

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation (Gross)	2,445,980	6,894	(137,681)	2,315,193
Share Class A - Income (Gross)	482,027	34,870	(17,220)	499,677
Share Class G - Accumulation (Gross)	8,641,212	33,508	(567,330)	8,107,390
Share Class G - Income (Gross)	526,137	-	(27,149)	498,988

There are no conversions in the year to report.

## 13. Capital commitments and contingent liabilities

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £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 94. The risks inherent in the sub-fund's investment portfolio are as follows:

(a) *Currency risk*

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

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

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

As at 31st October 2021, 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 an increase or decrease of approximately £3,257 (31/10/20: £15,015).

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

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	-	3
Euro	(56)	194
Japanese yen	8	276
Swiss franc	-	229
US dollar	374	800
Total	326	1,502

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

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

The sub-fund's net cash holding of £9,538 (31/10/20: holding £81,168) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £34,545 (31/10/20: cash £48,754), 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 31st October 2021

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

## (c) Derivatives and other financial instruments

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

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

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

Financial derivative instrument exposure - fair value	31/10/21 £000	31/10/20 £000
Exchange traded derivatives	23	27
Forward currency contracts	-	4
Total Financial derivative instrument exposure	<b>23</b>	<b>31</b>

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

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

	31/10/21 £000	31/10/20 £000
HSBC Bank - Forward currency contracts	-	1
Morgan Stanley - Forward currency contracts~	0	1
Merrill Lynch - Futures contracts	21	8
Total counterparty exposure	<b>21</b>	<b>10</b>

~The value of currency contracts is below £500 and is therefore rounded down to £0.

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

Collateral	31/10/21 £000	31/10/20 £000
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	43	40
AUD Cash - Merrill Lynch	-	2
EUR Cash - Merrill Lynch	1	3
JPY Cash - Merrill Lynch	-	(1)
USD Cash - Merrill Lynch	(10)	5

## (d) Liquidity risk

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

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

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

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

for the year ended 31st October 2021

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

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

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

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

As at 31st October 2021, 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 £147,559 (31/10/20: £151,612).

##### (f) Leverage

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

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

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

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

	31/10/21	31/10/20
	%	%
Gross leverage	110.26	-
Commitment leverage	18.19	-

##### (g) Credit risk

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

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**15. Portfolio transaction costs**

Analysis of total trade costs.

	<b>Purchases</b>		<b>Sales</b>	
	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Collective Investment Schemes	20,818	19,608	21,803	54,651
<b>Commissions</b>				
Collective Investment Schemes~	-	-	0	-
Futures~	0	0	0	0
Total commissions	0	0	0	0
<b>Taxes</b>				
Collective Investment Schemes	-	-	(1)	-
Total costs	-	-	(1)	-
<b>Total net trades in the year after transaction costs</b>	<b>20,818</b>	<b>19,608</b>	<b>21,802</b>	<b>54,651</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

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

	<b>Purchases</b>		<b>Sales</b>	
	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Commissions</b>				
Collective Investment Schemes	-	-	0.00	-
<b>Taxes</b>				
Collective Investment Schemes	-	-	0.00	-

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

	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>
	<b>%</b>	<b>%</b>
Commissions	0.00	0.00
Taxes	0.00	-
Total costs	0.00	-

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/20: 0.09%).

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

for the year ended 31st October 2021

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	23	(2)	4,435	(19)
Level 2	14,735	-	10,747	(2)
Level 3	-	-	-	-
Total fair value	14,758	(2)	15,182	(21)

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

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

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

## SPW Defensive Solution

### Distribution Tables

for the year ended 31st October 2021

#### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2020  
 Second interim Shares purchased prior to 1st February 2021  
 Third interim Shares purchased prior to 1st May 2021  
 Final Shares purchased prior to 1st August 2021

Group 2 First interim Shares purchased on or between 1st November 2020 and 31st January 2021  
 Second interim Shares purchased on or between 1st February 2021 and 30th April 2021  
 Third interim Shares purchased on or between 1st May 2021 and 31st July 2021  
 Final Shares purchased on or between 1st August 2021 and 31st October 2021

#### Share Class A - Accumulation (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.4811	-	0.4811	0.4959
Second interim	0.2038	-	0.2038	0.3881
Third interim	0.5432	-	0.5432	1.3214
Final	0.5566	-	0.5566	0.6634
Group 2	(p)	(p)	(p)	(p)
First interim	0.1802	0.3009	0.4811	0.4959
Second interim	0.1208	0.0830	0.2038	0.3881
Third interim	0.4050	0.1382	0.5432	1.3214
Final	0.4131	0.1435	0.5566	0.6634

#### Share Class A - Income (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.3531	-	0.3531	0.3714
Second interim	0.1489	-	0.1489	0.2897
Third interim	0.3977	-	0.3977	0.9835
Final	0.4041	-	0.4041	0.4889
Group 2	(p)	(p)	(p)	(p)
First interim	0.3531	-	0.3531	-
Second interim	0.1489	-	0.1489	-
Third interim	0.3977	-	0.3977	-
Final	0.4041	-	0.4041	-

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

for the year ended 31st October 2021

**Share Class G - Accumulation (Gross)**

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.4272	-	0.4272	0.5987
Second interim	0.1810	-	0.1810	0.4943
Third interim	0.4833	-	0.4833	1.3274
Final	0.4963	-	0.4963	0.5891
Group 2	(p)	(p)	(p)	(p)
First interim	0.0794	0.3478	0.4272	0.5987
Second interim	0.1412	0.0398	0.1810	0.4943
Third interim	0.4591	0.0242	0.4833	1.3274
Final	0.4572	0.0391	0.4963	0.5891

**Share Class G - Income (Gross)**

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.3639	-	0.3639	0.5223
Second interim	0.1536	-	0.1536	0.4293
Third interim	0.4024	-	0.4024	1.1486
Final	0.4237	-	0.4237	0.5068
Group 2	(p)	(p)	(p)	(p)
First interim	0.3639	-	0.3639	0.5223
Second interim	0.1536	-	0.1536	0.4293
Third interim	0.4024	-	0.4024	1.1486
Final	0.4237	-	0.4237	-

Investment Markets Overview

for the year ended 31st October 2021

Investment Objective

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

\*The Fund's benchmark is a composite of 13.2% MSCI North America (Net Total Return) index, 2.9% MSCI Europe ex UK (Net Total Return) index, 1.5% MSCI Japan (Net Total Return) index, 1.7% MSCI AC Asia ex Japan (Net Total Return) index, 1.7% MSCI Emerging Markets (Net Total Return) index, 9% MSCI UK IMI (Gross Total Return) index, 10% Bloomberg Barclays Global Treasury Value GBP Hedged index, 36% Bloomberg Barclays Global Aggregate Corporate Value GBP Hedged index, 3.5% Bloomberg Barclays Global High Yield Corporate Value GBP Hedged index, 3.5% Bloomberg Barclays Emerging Market Debt Value GBP Hedged index, 4% MSCI World IMI Core Real Estate (Net Total Return) Index, 7% SONIA plus 2%, 4% SONIA and 2% Bloomberg Commodity Total Return index.

Investment Policy

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

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

The Fund will invest within the following ranges:

Equity and equity related securities; 10% – 50%

Fixed and floating rate securities : 20% – 70%

Alternative assets: 0% – 30%

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

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management').

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

Synthetic Risk and Reward Indicator

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

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 28th September 2021.	Typically lower rewards, lower risks							
	Typically higher rewards, higher risks							
	←	1	2	3	4	5	6	7

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

for the year ended 31st October 2021

**Investment Review**

<b>Performance</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>16/09/19 to 31/10/19 %</b>
SPW Discovery Solution A Accumulation	12.71	(6.42)	n/a

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

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

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 12.7% in the 12 months to 31 October 2021.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more than four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021



**Portfolio Statement**

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (93.56%, 31/10/20 99.52%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	185,125	2,105	1.00
Nordea 1 Diversified Return Fund BD GBP Acc	56,238	7,311	3.48
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	230,072	3,157	1.50
Schroder Multi-Asset Total Return X GBP (Hedged) Acct	67,425	7,649	3.65
Schroder Sterling Liquidity Fund X Inc	5,384,751	5,385	2.57
Schroders Personal Wealth Multi-Manager	7,048,297	6,867	3.27
Asia ex Japan & Global Emerging Markets Equity X GBP Acct			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct	5,936,933	6,127	2.92
Schroders Personal Wealth Multi-Manager	14,659,292	14,762	7.03
Global High Income & Emerging Markets Fund Q Acct			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	67,479,180	68,154	32.48
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Inc	4,541,483	8,915	4.25
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct	16,893,289	16,822	8.02
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct	3,201,085	3,262	1.56
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct	20,811,255	22,060	10.51
Schroders Personal Wealth Multi-Manager UK Equity Fund A Acct	5,828,605	15,096	7.19
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	404,161	4,219	2.01
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	20,291	2,313	1.10
		194,204	92.54
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	131,972	2,144	1.02
		2,144	1.02
<b>TOTAL FINANCIALS</b>		<b>196,348</b>	<b>93.56</b>
<b>DERIVATIVES (0.11%, 31/10/20 -0.12%)</b>			
<b>Forward Currency Contracts</b>			
Bought USD9,758,000 for GBP7,071,219 Settlement 24/11/2021		10	0.00
Sold EUR6,714,000 for GBP5,669,134 Settlement 24/11/2021		(16)	(0.01)
		(6)	(0.01)

**Portfolio Statement**

(continued)

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(13)	(53)	(0.03)
E Mini Russell 2000 Index Futures December 2021	50	109	0.05
Euro BUXL 30 Year Bund Futures December 2021	(12)	18	0.01
EURO STOXX 50 Index Futures December 2021	30	10	0.01
FTSE 100 Index Futures December 2021	111	31	0.02
MSCI Emerging Markets Index Futures December 2021	45	(18)	(0.01)
S&P 500 E Mini Index Futures December 2021	21	25	0.01
UK Long Gilt Futures December 2021	33	19	0.01
US Treasury Note 10 Year Ultra Bond Futures December 2021	(67)	111	0.05
		252	0.12
<b>TOTAL DERIVATIVES</b>		<b>246</b>	<b>0.11</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>196,594</b>	<b>93.67</b>
<b>Net other assets</b>		<b>13,275</b>	<b>6.33</b>
<b>Total net assets</b>		<b>209,869</b>	<b>100.00</b>

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

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

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

<sup>†</sup>This investment is a related party (see note 12).

<sup>‡</sup>Cash equivalents.

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

## Material Portfolio Changes

for the year ended 31st October 2021

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct†	70,915	Schroder Sterling Liquidity Fund X Inc†‡	76,635
Schroder Sterling Liquidity Fund X Inc†‡	70,016	Schroders Personal Wealth Multi-Manager International Equity Focus Fund A Acct†	49,694
Schroders Personal Wealth Multi-Manager International Equity Fund X Acct†	45,935	iShares Core GBP Corporate Bond UCITS#	28,591
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct†	18,276	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	21,443
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	17,121	Aberdeen UK Property Feeder Unit Trust A Inc	20,876
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Acct†	14,956	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund A Acct†	17,847
Schroders Personal Wealth Multi-Manager International Equity Focus Fund A Acct†	10,113	Aberdeen Standard Corporate Bond Fund A Inc	14,201
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	4,269	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	13,680
Nordea 1 Diversified Return Fund BD GBP Acc	3,515	iShares UK Gilts All Stocks Index Fund H Inc	11,016
Lyxor Commodities Thomson Reuters UCITS#	3,020	Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct‡	8,435

The above 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 12).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange Traded Fund.

**Comparative Table**

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	157.40	168.17	168.61
Return before operating charges*	21.77	(8.32)	(0.09)
Operating charges	(2.00)	(2.45)	(0.35)
Return after operating charges*	19.77	(10.77)	(0.44)
Distributions	(1.44)	(2.34)	(0.59)
Retained distributions on accumulation shares	1.44	2.34	0.59
Closing net asset value per share	177.17	157.40	168.17
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges^	12.56%	(6.40)%	(0.26)%
<b>Other information</b>			
Closing net asset value (£000)	37,252	36,049	41,394
Closing number of shares	21,026,028	22,903,407	24,614,500
Operating charges#	1.16%	1.53%	1.61%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	179.30	172.20	169.30
Lowest share price	157.00	140.70	166.70

#Operating charges are representative of the ongoing charges figure.

^ The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 118 which is sourced from Lipper and based on daily published prices.

\*\*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 A Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class A - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	116.38	126.19	126.97
Return before operating charges*	16.10	(6.23)	(0.07)
Operating charges	(1.48)	(1.83)	(0.27)
Return after operating charges*	14.62	(8.06)	(0.34)
Distributions	(1.07)	(1.75)	(0.44)
Closing net asset value per share	129.93	116.38	126.19
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges	12.56%	(6.39)%	(0.27)%
<b>Other information</b>			
Closing net asset value (£000)	5,292	4,847	5,548
Closing number of shares	4,073,254	4,165,271	4,396,600
Operating charges#	1.17%	1.53%	1.61%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	131.90	129.20	127.50
Lowest share price	116.10	105.20	125.50

#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.

Share Class A Income was launched on 16th September 2019.

**Comparative Table**

(continued)

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	130.44	138.95	139.24
Return before operating charges*	18.05	(6.99)	(0.09)
Operating charges	(1.66)	(1.52)	(0.20)
Return after operating charges*	16.39	(8.51)	(0.29)
Distributions	(1.20)	(2.34)	(0.56)
Retained distributions on accumulation shares	1.20	2.34	0.56
Closing net asset value per share	146.83	130.44	138.95
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges	12.57%	(6.12)%	(0.21)%
<b>Other information</b>			
Closing net asset value (£000)	156,598	149,160	171,720
Closing number of shares	106,650,664	114,347,681	123,580,600
Operating charges#	1.16%	1.15%	1.11%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	148.60	142.40	139.80
Lowest share price	130.10	116.40	137.70

#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.

Share Class G Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	111.20	120.57	121.31
Return before operating charges*	15.37	(6.05)	(0.07)
Operating charges	(1.41)	(1.31)	(0.18)
Return after operating charges*	13.96	(7.36)	(0.25)
Distributions	(1.02)	(2.01)	(0.49)
Closing net asset value per share	124.14	111.20	120.57
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges	12.55%	(6.10)%	(0.21)%
<b>Other information</b>			
Closing net asset value (£000)	10,727	10,332	11,934
Closing number of shares	8,640,802	9,291,086	9,898,000
Operating charges#	1.16%	1.15%	1.11%
Direct transaction costs	0.00%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	126.00	123.60	121.80
Lowest share price	110.90	100.60	120.00

#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.

Share Class G Income was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	195.43	195.67
Return before operating charges*	(21.41)	(0.17)
Operating charges	(0.22)	(0.07)
Return after operating charges*	(21.63)	(0.24)
Distributions	(1.22)	(0.96)
Retained distributions on accumulation shares	1.22	0.96
Return to shareholder as a result of class closure	(173.80)	-
Closing net asset value per share	-	195.43
*after direct transaction cost of:	0.00	0.00
<b>Performance</b>		
Return after charges	(11.07)%	(0.12)%
<b>Other information</b>		
Closing net asset value (£000)	-	159,823
Closing number of shares	-	81,779,100
Operating charges#	0.24%	0.26%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	200.60	196.50
Lowest share price	164.20	193.60

#Operating charges are representative of the ongoing charges figure.

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

Share Class X Accumulation was launched on 16th September 2019 and closed on 24th April 2020.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.



**Statement of Total Return**

for the year ended 31st October 2021

	Notes	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Income			
Net capital gains/(losses)	2	23,116	(36,297)
Revenue	3	3,323	7,455
Expenses	4	(1,301)	(1,083)
Interest payable and similar charges		(50)	(7)
Net revenue before taxation		1,972	6,365
Taxation	5	(263)	(995)
Net revenue after taxation		1,709	5,370
<b>Total return before distributions</b>		<b>24,825</b>	<b>(30,927)</b>
Distributions	6	(1,765)	(5,430)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>23,060</b>	<b>(36,357)</b>

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

for the year ended 31st October 2021

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Opening net assets attributable to shareholders</b>	<b>200,388</b>	<b>390,419</b>
Amounts receivable on creation of shares	2,399	1,082
Less: Amounts payable on cancellation of shares	(17,597)	(159,023)
	(15,198)	(157,941)
Dilution adjustment	1	-
Change in net assets attributable to shareholders from investment activities	23,060	(36,357)
Retained distributions on accumulation shares	1,618	4,267
<b>Closing net assets attributable to shareholders</b>	<b>209,869</b>	<b>200,388</b>

*Notes to the Financial Statements are on pages 129 to 136.*

**Balance Sheet**

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		191,296	187,553
<b>Current assets</b>			
Debtors	8	26,342	827
Cash and bank balances	9	1,144	1,251
Cash equivalents‡		5,385	12,003
<b>Total assets</b>		<b>224,167</b>	<b>201,634</b>
<b>Liabilities</b>			
Investment liabilities		(87)	(365)
Provision for liabilities	10	(12)	(9)
<b>Creditors</b>			
Bank overdrafts		(128)	(113)
Distribution payable		(49)	(65)
Other creditors	11	(14,022)	(694)
<b>Total liabilities</b>		<b>(14,298)</b>	<b>(1,246)</b>
<b>Net assets attributable to shareholders</b>		<b>209,869</b>	<b>200,388</b>

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

Notes to the Financial Statements are on pages 129 to 136.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	20,209	(36,889)
Futures contracts	2,980	(508)
Forward currency contracts	(390)	884
ACD's periodic charge rebates taken to capital	283	290
Fund of funds rebates taken to capital	8	7
Currency gains/(losses)	38	(72)
Transaction charges	(12)	(9)
Net capital gains/(losses)*	23,116	(36,297)

\*Includes realised gains of £6,640,000 and unrealised gains of £16,476,000 (31/10/20: realised losses of £25,768,000 and unrealised losses of £10,529,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	1,144	2,506
Interest distributions	1,087	1,580
Offshore distributions	970	2,320
Bank interest	-	2
Fund of funds rebates	122	1,047
Total revenue	3,323	7,455

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	1,270	1,040
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	23	31
Safe custody fees	3	2
	26	33
<b>Other expenses:</b>		
Audit fee	10	10
Expense capping adjustment**	(5)	-
	5	10
Total expenses	1,301	1,083

Expenses include irrecoverable VAT.

\*\*Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £10,000 (31/10/20: £9,750).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	260	1,012
Corporation tax prior year adjustment	-	41
Double tax relief	(21)	(19)
Irrecoverable overseas tax	21	19
Total current tax	260	1,053
Total deferred tax (note 5c)	3	(58)
Total taxation (note 5b)	263	995

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	1,972	6,365
Corporation tax of 20%	394	1,273
<b>Effects of:</b>		
Non-taxable UK dividends*	(177)	(312)
Overseas non-taxable revenue*	(10)	(26)
Taxable income taken to capital	56	60
Irrecoverable overseas tax	21	19
Adjustments in respect of prior years	-	41
Income taxed in prior year	-	(41)
Double tax relief	(21)	(19)
Total tax charge for year (note 5a)	263	995

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

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

**(c) Deferred taxation:**

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Provision at the start of the year	9	67
Deferred tax charge in profit and loss account for the year (note 5a)	3	(58)
Provision at the end of the year	12	9
Provision consists of:		
Revenue taxable in different periods	12	9

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

for the year ended 31st October 2021

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
First interim	271	1,943
Second interim	286	876
Third interim	558	853
Final	637	859
	<hr/> 1,752	<hr/> 4,531
Add: Revenue deducted on cancellation of shares	15	901
Deduct: Revenue received on creation of shares	(2)	(2)
Net distributions for the year	<hr/> 1,765	<hr/> 5,430

*Details of the distributions per share are set out in the Distribution Tables on pages 137 to 139.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	1,709	5,370
Tax charge on rebates taken to capital	56	60
Net distributions for the year	<hr/> 1,765	<hr/> 5,430

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	26,244	-
Amounts receivable for issue of shares	3	88
Accrued revenue	47	365
Fund of funds rebates receivable	9	141
Income tax receivable	39	233
Total debtors	<hr/> 26,342	<hr/> 827

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	130	32
Amounts held at futures clearing houses and brokers	1,014	1,219
Total cash and bank balances	<hr/> 1,144	<hr/> 1,251

**10. Provision for liabilities**

	31/10/21 £000	31/10/20 £000
Deferred taxation	12	9

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**11. Other creditors**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Purchases awaiting settlement	13,701	-
Amounts payable for cancellation of shares	171	53
Accrued expenses	103	102
Corporation tax payable	47	539
Total other creditors	<u>14,022</u>	<u>694</u>

**12. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £283,167 (31/10/20: £290,253).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD fees are disclosed in note 2 and 4, with £108,066 (31/10/20: 84,070) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 188,593,157 shares (31/10/20: 89,842,218 shares) with a cost of £235,854,823 (31/10/20: £130,502,090) and sales of 112,971,745 shares (31/10/20: 100,558,949 shares) with sales proceeds of £171,689,813 (31/10/20: £130,439,618).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 151,851,595 shares (31/10/20: 38,662,056 shares) and value of £175,098,464 (31/10/20: £89,702,955) held at the year-end.

Revenue disclosed in note 3 includes amounts received from funds managed by either the ACD or one of its related parties. The total revenue received amounts to £2,150,715 (31/10/20: £1,046,693).

*Shares held by associates of the ACD*

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

**13. Share classes**

The sub-fund has four share classes in issue (31/10/2020: four).

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

	<b>31/10/21</b>
	<b>%</b>
Share Class A - Accumulation:	0.85
Share Class A - Income:	0.85
Share Class G - Accumulation:	0.85
Share Class G - Income:	0.85

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 122 to 126.

The distributions per share class are given in the Distribution Tables on pages 137 to 139.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation	22,903,407	95,056	(1,972,435)	21,026,028
Share Class A - Income	4,165,271	23,858	(115,875)	4,073,254
Share Class G - Accumulation	114,347,681	1,018,446	(8,715,463)	106,650,664
Share Class G - Income	9,291,086	622,867	(1,273,151)	8,640,802

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £nil).

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

A statement of the sub-fund's objective and the policy for achieving it has been included on page 117. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

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

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

As at 31st October 2021, 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 an increase or decrease of approximately £36,025 (31/10/20: £95,962).

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

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	6	-
Euro	(5,712)	(1,964)
Japanese yen	-	779
Swiss franc	-	3,114
US dollar	9,309	7,667
Total	3,603	9,596

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

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

The sub-fund's net cash holding of £129,991 (31/10/20: holding £31,813) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £886,183 (31/10/20: cash £1,105,839), 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 31st October 2021

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

## (c) Derivatives and other financial instruments

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of efficient portfolio management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the sub-fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. All derivative contracts were traded on an eligible derivatives exchange.

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

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	31/10/21 £000	31/10/20 £000
Exchange traded derivatives	323	106
Forward currency contracts	10	30
Total Financial derivative instrument exposure	<b>333</b>	<b>136</b>

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

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

	31/10/21 £000	31/10/20 £000
BNP Paribas - Forward currency contracts	(16)	(260)
HSBC Bank - Forward currency contracts	-	22,216
Morgan Stanley International - Forward currency contracts	10	2,645
Royal Bank of Canada - Forward currency contracts	-	(203)
UBS - Forward currency contracts	-	(3)
Merrill Lynch - Futures contracts	252	(152)
Total counterparty exposure	<b>246</b>	<b>24,243</b>

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

Collateral	31/10/21 £000	31/10/20 £000
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	998	1,173
AUD Cash - Merrill Lynch	6	-
EUR Cash - Merrill Lynch	10	36
JPY Cash - Merrill Lynch	-	10
USD Cash - Merrill Lynch	(128)	(113)

## (d) Liquidity risk

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

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

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

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



## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

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

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

As at 31st October 2021, 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 £1,965,938 (31/10/20: £1,991,914).

*(f) Leverage*

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

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

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

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

	31/10/21	31/10/20
	%	%
Gross leverage	116.89	147.29
Commitment leverage	31.74	1.81

*(g) Credit risk*

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

**16. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Collective Investment Schemes	273,761	183,650	299,161	338,120
<b>Commissions</b>				
Futures	4	5	(4)	(4)
<b>Taxes</b>				
Collective Investment Schemes	-	-	(8)	-
Total costs	4	5	(12)	(4)
<b>Total net trades in the year after transaction costs</b>	<b>273,765</b>	<b>183,655</b>	<b>299,149</b>	<b>338,116</b>

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%
Commissions	0.00	0.00
Taxes	0.00	-
Total costs	0.00	-

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.01% (31/10/20: 0.05%).

**17. Fair value**

Valuation technique	31/10/21		31/10/20	
	Assets £000	Liabilities £000	Assets £000	Liabilities £000
Level 1	2,467	(71)	27,852	(357)
Level 2	194,214	(16)	171,704	(8)
Level 3	-	-	-	-
Total fair value	196,681	(87)	199,556	(365)

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

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

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

# SPW Discovery Solution

## Distribution Tables

for the year ended 31st October 2021

### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2020  
 Second interim Shares purchased prior to 1st February 2021  
 Third interim Shares purchased prior to 1st May 2021  
 Final Shares purchased prior to 1st August 2021

Group 2 First interim Shares purchased on or between 1st November 2020 and 31st January 2021  
 Second interim Shares purchased on or between 1st February 2021 and 30th April 2021  
 Third interim Shares purchased on or between 1st May 2021 and 31st July 2021  
 Final Shares purchased on or between 1st August 2021 and 31st October 2021

### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.2156	-	0.2156	0.5855
Second interim	0.2314	-	0.2314	0.5429
Third interim	0.4597	-	0.4597	0.5352
Final	0.5378	-	0.5378	0.6744
Group 2	(p)	(p)	(p)	(p)
First interim	0.1138	0.1018	0.2156	0.5855
Second interim	0.1750	0.0564	0.2314	0.5429
Third interim	0.3557	0.1040	0.4597	0.5352
Final	0.4115	0.1263	0.5378	0.6744

### Share Class A - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.1594	-	0.1594	0.4399
Second interim	0.1710	-	0.1710	0.4060
Third interim	0.3405	-	0.3405	0.3987
Final	0.3957	-	0.3957	0.5007
Group 2	(p)	(p)	(p)	(p)
First interim	0.1594	-	0.1594	-
Second interim	0.1583	0.0127	0.1710	0.4060
Third interim	0.3405	-	0.3405	-
Final	0.3957	-	0.3957	-

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

for the year ended 31st October 2021

**Share Class G - Accumulation**

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.1788	-	0.1788	0.6256
Second interim	0.1917	-	0.1917	0.5782
Third interim	0.3822	-	0.3822	0.5727
Final	0.4453	-	0.4453	0.5589
Group 2	(p)	(p)	(p)	(p)
First interim	0.0762	0.1026	0.1788	0.6256
Second interim	0.1318	0.0599	0.1917	0.5782
Third interim	0.3171	0.0651	0.3822	0.5727
Final	0.3358	0.1095	0.4453	0.5589

**Share Class G - Income**

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.1524	-	0.1524	0.5428
Second interim	0.1632	-	0.1632	0.4994
Third interim	0.3231	-	0.3231	0.4927
Final	0.3783	-	0.3783	0.4785
Group 2	(p)	(p)	(p)	(p)
First interim	0.0562	0.0962	0.1524	0.5428
Second interim	0.0575	0.1057	0.1632	0.4994
Third interim	0.1806	0.1425	0.3231	0.4927
Final	0.3753	0.0030	0.3783	0.4785

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

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

First interim - 0.00% of the dividend is received as non-taxable income.

First interim - 88.19% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

First interim - 11.81% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Distribution Tables

(continued)

for the year ended 31st October 2021

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

- Second interim - 85.92% of the dividend is received as non-taxable income.
- Second interim - 11.82% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.
- Second interim - 2.26% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.
- Third interim - 12.31% of the dividend is received as non-taxable income.
- Third interim - 81.58% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.
- Third interim - 6.11% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.
- Final - 84.63% of the dividend is received as non-taxable income.
- Final - 3.81% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.
- Final - 11.56% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Investment Markets Overview

for the year ended 31st October 2021

Investment Objective

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

\*The Fund's benchmark is a composite of 33.5% MSCI North America (Net Total Return) index, 7.3% MSCI Europe ex UK (Net Total Return) index, 3.8% MSCI Japan (Net Total Return) index, 4.2% MSCI AC Asia ex Japan (Net Total Return) index, 4.2% MSCI Emerging Markets (Net Total Return) index, 23% MSCI UK IMI (Gross Total Return) index, 2% Bloomberg Barclays Global Treasury Value GBP Hedged index, 8% Bloomberg Barclays Global Aggregate Corporate Value GBP Hedged index, 1% Bloomberg Barclays Global High Yield Corporate Value GBP Hedged index, 1% Bloomberg Barclays Emerging Market Debt Value GBP Hedged index, 5% MSCI World IMI Core Real Estate (Net Total Return) index, 4% SONIA and 3% Bloomberg Commodity Total Return index.

Investment Policy

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

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

The Fund will invest within the following ranges:

Equity and equity related securities: 40% – 95%

Fixed and floated rated securities : 0% – 30%

Alternative assets: 0% – 30%

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

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management').

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

Synthetic Risk and Reward Indicator

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

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 28th September 2021.								
	Typically lower rewards, lower risks				Typically higher rewards, higher risks			
	←	1	2	3	4	5	6	7

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

for the year ended 31st October 2021

**Investment Review**

<b>Performance</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>16/09/19 to 31/10/19 %</b>
SPW Dynamic Solution A Accumulation	27.59	(10.49)	n/a

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

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

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 27.6% in the 12 months to 31 October 2021.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

**Portfolio Statement**

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (114.55%, 31/10/20 98.88%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	74,393	846	1.51
iShares North America Index Fund S Acc GBP	237,844	2,464	4.38
iShares UK Equity Index Fund D Acc	768,515	1,941	3.45
Schroder Sterling Liquidity Fund X Inc†±	13,087,657	13,088	23.29
Schroders Personal Wealth Multi-Manager	4,837,385	4,713	8.39
Asia ex Japan & Global Emerging Markets Equity X GBP Acct			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct	3,405,732	3,515	6.25
Schroders Personal Wealth Multi-Manager	1,105,838	1,114	1.98
Global High Income & Emerging Markets Fund Q Acct			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	3,801,386	3,839	6.83
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Acct	993,044	2,825	5.03
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct	566,285	564	1.00
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct	2,092,879	2,133	3.80
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct	14,578,566	15,453	27.50
Schroders Personal Wealth Multi-Manager UK Equity Fund A Acct	4,002,303	10,366	18.44
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	54,345	567	1.01
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	990	113	0.20
		63,541	113.06
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	51,686	840	1.49
		840	1.49
<b>TOTAL FINANCIALS</b>		<b>64,381</b>	<b>114.55</b>
<b>DERIVATIVES (0.20%, 31/10/20 -0.49%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD486,000 for GBP285,677 Settlement 24/11/2021~		0	0.00
Bought CHF314,000 for GBP247,431 Settlement 24/11/2021		3	0.01
Bought JPY124,854,000 for GBP793,917 Settlement 24/11/2021		4	0.01
Bought USD11,306,443 for GBP8,193,312 Settlement 24/11/2021		11	0.02
Bought USD364,000 for GBP263,719 Settlement 24/11/2021~		0	0.00
Sold CAD486,000 for GBP285,554 Settlement 24/11/2021~		0	0.00
Sold EUR1,613,000 for GBP1,361,977 Settlement 24/11/2021		(4)	(0.01)
Sold USD2,877,000 for GBP2,086,140 Settlement 24/11/2021		(1)	0.00
		13	0.03



**Portfolio Statement**

(continued)

as at 31st October 2021

	<b>Holdings</b>	<b>Market Value £000</b>	<b>Total Net Assets %</b>
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(3)	(12)	(0.02)
E Mini Russell 2000 Index Futures December 2021	13	27	0.05
Euro BUXL 30 Year Bund Futures December 2021	(1)	1	0.00
EURO STOXX 50 Index Futures December 2021	25	22	0.04
FTSE 100 Index Futures December 2021	25	31	0.05
MSCI Emerging Markets Index Futures December 2021	12	(5)	(0.01)
S&P 500 E Mini Index Futures December 2021	2	20	0.04
US Treasury Note 10 Year Ultra Bond Futures December 2021	(7)	12	0.02
		96	0.17
<b>TOTAL DERIVATIVES</b>		<b>109</b>	<b>0.20</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>64,490</b>	<b>114.75</b>
<b>Net other liabilities</b>		<b>(8,288)</b>	<b>(14.75)</b>
<b>Total net assets</b>		<b>56,202</b>	<b>100.00</b>

All holdings are in Collective Investment Schemes or represent securities quoted on a Listed Securities Market, unless otherwise stated.

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

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

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

<sup>‡</sup>Cash equivalents.

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

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

**Material Portfolio Changes**

for the year ended 31st October 2021

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroders Personal Wealth Multi-Manager International Equity Fund X Acct†	18,893	Schroders Personal Wealth Multi-Manager International Equity Focus Fund A Acct†	19,765
Schroder Sterling Liquidity Fund X Inc†‡	18,656	Schroder Sterling Liquidity Fund X Inc†‡	10,288
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct†	4,400	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund A Acct†	9,929
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct†	3,065	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	3,738
iShares North America Index Fund S Acc GBP	2,465	Aberdeen UK Property Feeder Unit Trust A Acc	3,195
iShares UK Equity Index Fund D Acc	1,951	Threadneedle Lux Enhanced Commodities Portfolio IU USD Acc	1,306
Schroders Personal Wealth Multi-Manager Asia ex Japan & Global Emerging Markets Equity X GBP Acct†	1,898	Nordea 1 Diversified Return Fund BD GBP Acc	1,016
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Acct†	1,106	Vontobel Commodity Fund G GBP Acc	689
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Acct†	1,079	Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct†	635
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct†	905	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	553

The above 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 11).

‡Cash equivalents.

◊Asset managed by the Investment Adviser.

**Comparative Table**

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	188.53	210.58	212.22
Return before operating charges*	55.22	(18.52)	(1.14)
Operating charges	(3.20)	(3.53)	(0.50)
Return after operating charges*	52.02	(22.05)	(1.64)
Distributions	(0.74)	(1.97)	(1.21)
Retained distributions on accumulation shares	0.74	1.97	1.21
Closing net asset value per share	240.55	188.53	210.58
*after direct transaction cost of:	0.02	0.01	0.00
<b>Performance</b>			
Return after charges^	27.59%	(10.47)%	(0.77)%
<b>Other information</b>			
Closing net asset value (£000)	18,149	14,508	17,318
Closing number of shares	7,544,702	7,695,505	8,223,998
Operating charges#	1.42%	1.79%	1.83%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	242.00	219.70	212.80
Lowest share price	188.40	161.20	206.50

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 141 which is sourced from Lipper and based on daily published prices.

\*\*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 A Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	150.81	167.95	169.17
Return before operating charges*	44.17	(14.92)	(0.93)
Operating charges	(2.55)	(2.22)	(0.29)
Return after operating charges*	41.62	(17.14)	(1.22)
Distributions	(0.59)	(2.05)	(1.05)
Retained distributions on accumulation shares	0.59	2.05	1.05
Closing net asset value per share	192.43	150.81	167.95
*after direct transaction cost of:	0.01	0.01	0.00
<b>Performance</b>			
Return after charges	27.60%	(10.21)%	(0.72)%
<b>Other information</b>			
Closing net asset value (£000)	38,053	32,286	38,849
Closing number of shares	19,775,279	21,407,721	23,131,000
Operating charges#	1.42%	1.41%	1.33%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	193.60	175.40	169.60
Lowest share price	150.70	128.80	164.70

#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.

Share Class G Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	253.45	254.97
Return before operating charges*	(38.36)	(1.46)
Operating charges	(0.33)	(0.06)
Return after operating charges*	(38.69)	(1.52)
Distributions	-	(1.89)
Retained distributions on accumulation shares	-	1.89
Return to shareholder as a result of class closure	(214.76)	-
Closing net asset value per share	-	253.45
*after direct transaction cost of:	0.00	0.00
<b>Performance</b>		
Return after charges	(15.27)%	(0.60)%
<b>Other information</b>		
Closing net asset value (£000)	-	70,095
Closing number of shares	-	27,656,800
Operating charges#	0.21%	0.18%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	265.30	255.80
Lowest share price	195.00	248.40

#Operating charges are representative of the ongoing charges figure.

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

Share Class X Accumulation was launched on 16th September 2019 and closed on 24th April 2020.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

## Statement of Total Return

for the year ended 31st October 2021

		01/11/20 to 31/10/21	01/11/19 to 31/10/20
	Notes	£000	£000
Income			
Net capital gains/(losses)	2	12,585	(17,361)
Revenue	3	555	1,635
Expenses	4	(365)	(44)
Interest payable and similar charges		(9)	(3)
Net revenue before taxation		181	1,588
Taxation	5	(6)	(174)
Net revenue after taxation		175	1,414
<b>Total return before distributions</b>		<b>12,760</b>	<b>(15,947)</b>
Distributions	6	(175)	(1,444)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>12,585</b>	<b>(17,391)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2021

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000
<b>Opening net assets attributable to shareholders</b>	<b>46,794</b>	<b>126,262</b>
Amounts receivable on creation of shares	1,178	3,238
Less: Amounts payable on cancellation of shares	(4,528)	(65,906)
	(3,350)	(62,668)
Change in net assets attributable to shareholders from investment activities	12,585	(17,391)
Retained distributions on accumulation shares	173	591
<b>Closing net assets attributable to shareholders</b>	<b>56,202</b>	<b>46,794</b>

Notes to the Financial Statements are on pages 150 to 157.

**Balance Sheet**

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		51,424	41,590
<b>Current assets</b>			
Debtors	8	1,473	110
Cash and bank balances	9	684	755
Cash equivalents‡		13,088	4,719
<b>Total assets</b>		<b>66,669</b>	<b>47,174</b>
<b>Liabilities</b>			
Investment liabilities		(22)	(270)
<b>Creditors</b>			
Bank overdrafts		-	(26)
Other creditors	10	(10,445)	(84)
<b>Total liabilities</b>		<b>(10,467)</b>	<b>(380)</b>
<b>Net assets attributable to shareholders</b>		<b>56,202</b>	<b>46,794</b>

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

Notes to the Financial Statements are on pages 150 to 157.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	9,604	(17,684)
Futures contracts	3,112	3
Forward currency contracts	(220)	119
ACD's periodic charge rebates taken to capital	40	149
Fund of funds rebates taken to capital	2	2
Currency gains	59	5
Transaction charges	(12)	(8)
Compensation~	-	53
Net capital gains/(losses)*	12,585	(17,361)

\*Includes realised gains of £6,163,000 and unrealised gains of £6,422,000 (31/10/20: realised losses of £14,709,000 and unrealised losses of £2,652,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

~Compensation received from Schroder Investment Management with regards to the trading error.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	415	1,041
Interest distributions	65	88
Offshore distributions	61	364
Fund of funds rebates	14	141
Windfall from project rose**	-	1
Total revenue	555	1,635

\*\*Prior year figure relates to windfall received in relation to Project Rose (Project Rose is the term used for the inception of SPW) to cover shortfall deficit.

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	367	36
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	6	9



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**4. Expenses (continued)**

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Other expenses:</b>		
Audit fee	10	10
Expense capping adjustment*	(18)	(11)
	(8)	(1)
Total expenses	365	44

Expenses include irrecoverable VAT.

\*Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £10,000 (31/10/20: £9,750).

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	-	163
Corporation tax prior year adjustment	-	11
Double tax relief	-	(9)
Irrecoverable overseas tax	6	9
Total current tax	6	174
Total taxation (note 5b)	6	174

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	181	1,588
Corporation tax of 20%	36	318
<b>Effects of:</b>		
Non-taxable UK dividends*	(70)	(166)
Overseas non-taxable revenue*	(2)	(8)
Non-taxable income taken to capital*	8	-
Taxable income taken to capital	-	30
Irrecoverable overseas tax	6	9
Overseas tax expensed	(1)	-
Corporation tax: adjustment in respect of prior years	-	11
Income taxed in prior year	-	(11)
Double tax relief	-	(9)
Movement in excess management expenses	29	-
Total tax charge for year (note 5a)	6	174

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

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

**(c) Deferred taxation:**

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

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

for the year ended 31st October 2021

**5. Taxation (continued)****(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 £29,117 (31/10/20: £nil) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Final	173	591
Add: Revenue deducted on cancellation of shares	3	876
Deduct: Revenue received on creation of shares	(1)	(23)
Net distribution for the year	175	1,444

*Details of the distributions per share are set out in the Distribution Table on page 158.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	175	1,414
Tax charge on rebates taken to capital	-	30
Net distribution for the year	175	1,444

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	1,335	48
Amounts receivable for issue of shares	57	10
Accrued revenue	-	3
Fund of funds rebates receivable	2	13
Income tax receivable	73	33
Expense capping adjustment receivable	6	3
Total debtors	1,473	110

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	266	46
Amounts held at futures clearing houses and brokers	418	709
Total cash and bank balances	684	755

**10. Other creditors**

	31/10/21 £000	31/10/20 £000
Purchases awaiting settlement	10,097	-
Amounts payable for cancellation of shares	263	1
Accrued expenses	49	32
Corporation tax payable	36	51
Total other creditors	10,445	84

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**11. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £40,276 (31/10/20: £149,345).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD fees are disclosed in note 2 and 4, with £28,851 (31/10/20: 14,199) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 35,857,612 shares (31/10/20: 29,189,852 shares) with a cost of £53,069,950 (31/10/20: £36,050,567) and sales of shares (31/10/20: 38,092,865 shares) with sales proceeds of £41,969,516 (31/10/20: £63,738,111).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 48,471,076 shares (31/10/20: 17,456,258 shares) and value of £57,608,938 (31/10/20: £37,131,458) 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 £464,606 (31/10/20: £551,739).

*Shares held by associates of the ACD*

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

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2020: two).

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

	31/10/21
	%
Share Class A - Accumulation:	1.15
Share Class G - Accumulation:	1.15

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 145 to 147.

The distributions per share class are given in the Distribution Table on page 158.

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation	7,695,505	146,560	(297,363)	7,544,702
Share Class G - Accumulation	21,407,721	472,499	(2,104,941)	19,775,279

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £nil).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**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 140. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

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

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

As at 31st October 2021, 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 an increase or decrease of approximately £73,010 (31/10/20: £41,412).

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

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	1	-
Canadian dollar	-	(145)
Euro	(1,306)	(365)
Japanese yen	805	383
Swiss franc	250	818
US dollar	7,551	3,450
Total	7,301	4,141

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

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

The sub-fund's net cash holding of £266,361 (31/10/20: holding £46,859) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £417,650 (31/10/20: cash £682,618), whose rates are based on SONIA or its international equivalent.

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

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

*(c) Derivatives and other financial instruments*

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

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

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.

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

Financial derivative instrument exposure - fair value	31/10/21 £000	31/10/20 £000
Exchange traded derivatives	113	26
Forward currency contracts	18	12
Total Financial derivative instrument exposure	<b>131</b>	<b>38</b>

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

	31/10/21 £000	31/10/20 £000
HSBC Bank - Forward currency contracts	-	6
Lloyds Bank - Forward currency contracts	-	2
Morgan Stanley - Forward currency contracts	11	3
JP Morgan - Forward currency contracts	(1)	-
UBS - Forward currency contracts	-	(1)
Goldman Sachs - Forward currency contracts	3	-
Bank of America - Forward currency contracts	4	-
BNP Paribas - Forward currency contracts	(4)	-
Merrill Lynch - Futures contracts	96	(242)
Total counterparty exposure	<b>109</b>	<b>(232)</b>

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

Collateral	31/10/21 £000	31/10/20 £000
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	156	690
AUD Cash - Merrill Lynch	1	-
EUR Cash - Merrill Lynch	35	18
JPY Cash - Merrill Lynch	20	1
USD Cash - Merrill Lynch	205	(26)

## (d) Liquidity risk

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

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

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

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

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

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

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

As at 31st October 2021, 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

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

£644,896 (31/10/20: £460,394).

*(f) Leverage*

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

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

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

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

	31/10/21	31/10/20
	%	%
Gross leverage	134.99	114.39
Commitment leverage	19.74	2.35

*(g) Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty and issuer risk.

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000	£000	£000
Collective Investment Schemes	60,895	42,396	52,874	105,882
<b>Commissions</b>				
Futures	2	2	(2)	(1)
<b>Total net trades in the year after transaction costs</b>	<b>60,897</b>	<b>42,398</b>	<b>52,872</b>	<b>105,881</b>

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%
Commissions	0.01	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of equities, futures contracts, broker commissions and transfer taxes may be paid on each transaction. 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.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.02% (31/10/20: 0.00%).

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

for the year ended 31st October 2021

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	953	(17)	26	(268)
Level 2	63,559	(5)	46,283	(2)
Level 3	-	-	-	-
Total fair value	64,512	(22)	46,309	(270)

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 Dynamic Solution

### Distribution Table

for the year ended 31st October 2021

#### Distribution in pence per share

Group 1 Final Shares purchased prior to 1st November 2020

Group 2 Final Shares purchased on or between 1st November 2020 and 31st October 2021

#### Share Class A - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.7417	-	0.7417	1.9680
Group 2	(p)	(p)	(p)	(p)
Final	0.6399	0.1018	0.7417	1.9680

#### Share Class G - Accumulation

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.5917	-	0.5917	2.0542
Group 2	(p)	(p)	(p)	(p)
Final	0.4927	0.0990	0.5917	2.0542

Share Class X Accumulation was closed on 24th April 2020.

#### 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 31st October 2021

### Investment Objective

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

### Investment Policy

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds to gain exposure to fixed and floating rate securities, equity and equity related securities, and alternative assets worldwide. Exposure to alternative assets including property, commodities and currencies may be obtained through derivatives (where permitted) and by investing in funds that invest indirectly in these assets. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies. The Fund may invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates. These may be actively or passively managed.

The Fund invests at least 65% of its assets in equity and equity related securities.

The Fund may also invest up to 35% of its assets in fixed and floating rate securities and alternative investments.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on its or the Investment Adviser's views on the medium to long term outlook for that asset class.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly and indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund may take long and short positions in markets and securities through derivative contracts. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

### Synthetic Risk and Reward Indicator

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

The Fund is ranked at 5* because, based on historical data, it would have experienced medium to high levels of volatility over the past five years.  *As disclosed in the key investor information document dated 28th September 2021.	Typically lower rewards, lower risks <div>←</div>						
	Typically higher rewards, higher risks <div>→</div>						
	1	2	3	4	5	6	7

### Investment Review

Performance	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %	01/11/17 to 31/10/18 %	01/11/16 to 31/10/17 %
SPW IPS Growth Portfolio A Accumulation	29.82	(6.46)	8.25	(0.77)	11.74

Source: IPS Growth Portfolio A Accumulation share price movement in GBP at valuation point. Basis: Net revenue reinvested and net of expenses.

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

The fund returned 29.8% in the 12 months to 31 October 2021. The benchmark returned 27.2% in the same period.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more than four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

## Investment Markets Overview

(continued)

for the year ended 31st October 2021

### Investment Review (continued)

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

# SPW IPS Growth Portfolio

## Portfolio Statement

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (98.87%, 31/10/20 99.89%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	1,199,854	13,645	1.26
iShares Europe ex-UK Index Fund	2,176,130	25,239	2.33
iShares Japan Equity Index Fund UK D Acc	8,345,122	22,014	2.03
iShares North America Index Fund S Acc GBP	7,481,036	77,518	7.15
iShares UK Equity Index Fund D Acc	14,178,616	35,815	3.30
Nordea 1 Diversified Return Fund BD GBP Acc	124,742	16,216	1.49
Schroder Multi-Asset Total Return X GBP (Hedged) Acc†Ø	50,432	5,721	0.53
Schroder Sterling Liquidity Fund X Inc†±Ø	107,574,765	107,575	9.92
Schroders Personal Wealth Multi-Manager	115,532,345	112,089	10.34
Asia ex Japan & Global Emerging Markets Equity Fund Q Inc†			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund Q Inc†	71,298,299	73,509	6.78
Schroders Personal Wealth Multi-Manager	22,508,246	22,099	2.04
Global High Income & Emerging Markets Fund Q Inc†			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	31,947,746	31,935	2.94
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund P Inc†	15,673,679	33,479	3.09
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	22,049,914	21,889	2.02
Schroders Personal Wealth Multi-Manager Japanese Equity Fund Q Inc†	27,499,114	27,802	2.56
Schroders Personal Wealth Multi-Manager North American Equity Fund Q Inc†	261,614,097	276,788	25.52
Schroders Personal Wealth Multi-Manager UK Equity Fund P Inc†	59,899,244	121,476	11.20
Schroders Personal Wealth Multi-Manager UK Equity Income Fund P Inc†	14,541,744	22,511	2.07
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	1,081,075	11,286	1.04
		1,058,606	97.61
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	837,607	13,608	1.26
		13,608	1.26
<b>TOTAL FINANCIALS</b>		<b>1,072,214</b>	<b>98.87</b>
<b>DERIVATIVES (0.31%, 31/10/20 -0.49%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD6,549,000 for GBP3,849,587 Settlement 24/11/2021		2	0.00
Bought USD146,958,000 for GBP106,494,391 Settlement 24/11/2021		119	0.01
Bought USD5,976,000 for GBP4,330,263 Settlement 24/11/2021		5	0.00
Sold USD29,775,000 for GBP21,614,771 Settlement 24/11/2021		14	0.00
		140	0.01

# SPW IPS Growth Portfolio

## Portfolio Statement

(continued)

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(66)	(262)	(0.02)
E Mini Russell 2000 Index Futures December 2021	260	563	0.05
Euro BUXL 30 Year Bund Futures December 2021	(31)	46	0.00
EURO STOXX 50 Index Futures December 2021	155	130	0.01
FTSE 100 Index Futures December 2021	300	113	0.01
MSCI Emerging Markets Index Futures December 2021	232	(94)	(0.01)
S&P 500 E Mini Index Futures December 2021	491	2,437	0.23
US Treasury Note 10 Year Ultra Bond Futures December 2021	(178)	294	0.03
		3,227	0.30
<b>TOTAL DERIVATIVES</b>		<b>3,367</b>	<b>0.31</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>1,075,581</b>	<b>99.18</b>
<b>Net other assets</b>		<b>8,892</b>	<b>0.82</b>
<b>Total net assets</b>		<b>1,084,473</b>	<b>100.00</b>

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

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

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

<sup>†</sup>This investment is a related party (see note 12).

<sup>‡</sup>Cash equivalents.

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

**Material Portfolio Changes**

for the year ended 31st October 2021

	<b>Cost £000</b>		<b>Proceeds £000</b>
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	723,046	Schroder Sterling Liquidity Fund X Inc†‡	711,326
iShares North America Index Fund S Acc GBP	78,045	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund P Inc†	294,541
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	54,997	Schroders Personal Wealth Multi-Manager International Equity Fund P Inc†	236,996
Schroders Personal Wealth Multi-Manager Asia ex Japan & Global Emerging Marke Q Inc†	50,581	Findlay Park American Fund USD Inc	218,330
Schroders Personal Wealth Multi-Manager North American Equity Fund Q Inc†	44,407	J O Hambro Continental European Fund Y Inc	67,542
iShares UK Equity Index Fund D Acc	38,007	Scottish Widows Japan Equity Fund X Acc†	65,448
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Inc†	26,308	iShares Global Corp Bond UCITS#	49,208
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc#	26,100	Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund P Inc†	41,202
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	26,053	Schroders Personal Wealth Multi-Manager North American Equity Fund Q Inc†	31,809
iShares Europe ex-UK Index Fund	25,524	State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	29,274

The above 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 12).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange traded fund.

## SPW IPS Growth Portfolio

### Comparative Table

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	198.37	208.58	192.74
Return before operating charges*	60.13	(8.35)	17.64
Operating charges	(2.17)	(1.86)	(1.80)
Return after operating charges*	57.96	(10.21)	15.84
Distributions	(1.89)	(2.97)	(3.31)
Retained distributions on accumulation shares	1.89	2.97	3.31
Closing net asset value per share	256.33	198.37	208.58
*after direct transaction cost of:	0.02	0.01	0.00
<b>Performance</b>			
Return after charges^	29.22%	(4.90)%	8.22%
<b>Other information</b>			
Closing net asset value (£000)	7,951	8,062	8,433
Closing number of shares	3,101,894	4,063,877	4,043,199
Operating charges#	0.91%	0.92%	0.90%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	257.60	221.20	214.00
Lowest share price	199.40	163.70	182.20

#Operating charges are representative of the ongoing charges figure.

^ The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 159 which is sourced from Lipper and based on daily published prices.

\*\*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.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class P - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	163.57	174.54	163.91
Return before operating charges*	49.49	(7.03)	14.91
Operating charges	(1.50)	(1.30)	(1.27)
Return after operating charges*	47.99	(8.33)	13.64
Distributions	(1.84)	(2.64)	(3.01)
Closing net asset value per share	209.72	163.57	174.54
*after direct transaction cost of:	0.02	0.01	0.00
<b>Performance</b>			
Return after charges	29.34%	(4.77)%	8.32%
<b>Other information</b>			
Closing net asset value (£000)	116	90	109
Closing number of shares	55,331	55,331	62,331
Operating charges#	0.76%	0.77%	0.75%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	211.50	185.10	180.90
Lowest share price	164.40	136.60	155.00

#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.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class Q - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	163.37	174.34	163.71
Return before operating charges*	49.40	(7.06)	14.90
Operating charges	(1.38)	(1.22)	(1.20)
Return after operating charges*	48.02	(8.28)	13.70
Distributions	(1.91)	(2.69)	(3.07)
Closing net asset value per share	209.48	163.37	174.34
*after direct transaction cost of:	0.02	0.01	0.00
<b>Performance</b>			
Return after charges	29.39%	(4.75)%	8.37%
<b>Other information</b>			
Closing net asset value (£000)	663,373	1,116,896	1,366,746
Closing number of shares	316,675,103	683,640,679	783,963,877
Operating charges#	0.71%	0.73%	0.71%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	211.30	184.90	180.70
Lowest share price	164.20	136.40	154.80

#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.



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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	183.57	192.48	177.36
Return before operating charges*	55.53	(7.84)	16.14
Operating charges	(1.24)	(1.07)	(1.02)
Return after operating charges*	54.29	(8.91)	15.12
Distributions	(2.42)	(3.23)	(3.57)
Retained distributions on accumulation shares	2.42	3.23	3.57
Closing net asset value per share	237.86	183.57	192.48
*after direct transaction cost of:	0.02	0.01	0.00
<b>Performance</b>			
Return after charges	29.57%	(4.63)%	8.53%
<b>Other information</b>			
Closing net asset value (£000)	412,736	405,475	436,730
Closing number of shares	173,522,092	220,885,466	226,899,368
Operating charges#	0.56%	0.57%	0.55%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	239.00	204.20	197.30
Lowest share price	184.50	151.20	167.70

#Operating charges are representative of the ongoing charges figure.

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

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Income</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	149.33	159.35	149.64
Return before operating charges*	45.12	(6.49)	13.56
Operating charges	(1.01)	(0.88)	(0.85)
Return after operating charges*	44.11	(7.37)	12.71
Distributions	(1.96)	(2.65)	(3.00)
Closing net asset value per share	191.48	149.33	159.35
*after direct transaction cost of:	0.02	0.01	0.00
<b>Performance</b>			
Return after charges	29.54%	(4.63)%	8.49%
<b>Other information</b>			
Closing net asset value (£000)	297	363	417
Closing number of shares	154,935	243,248	261,559
Operating charges#	0.57%	0.57%	0.55%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	193.10	169.10	165.20
Lowest share price	150.10	124.70	141.50

#Operating charges are representative of the ongoing charges figure.

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

Prices for Share Class X Income are not published externally, as this is an internal share class.

**Statement of Total Return**

for the year ended 31st October 2021

	Notes	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Income			
Net capital gains/(losses)	2	362,333	(104,239)
Revenue	3	13,540	30,578
Expenses	4	(709)	(1,275)
Interest payable and similar charges		(103)	(79)
Net revenue before taxation		12,728	29,224
Taxation	5	(1,084)	(1,534)
Net revenue after taxation		11,644	27,690
<b>Total return before distributions</b>		<b>373,977</b>	<b>(76,549)</b>
Distributions	6	(12,150)	(27,744)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>361,827</b>	<b>(104,293)</b>

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

for the year ended 31st October 2021

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Opening net assets attributable to shareholders</b>	<b>1,530,886</b>	<b>1,812,435</b>
Amounts receivable on creation of shares	8,025	79,541
Less: Amounts payable on cancellation of shares	(820,701)	(264,304)
	(812,676)	(184,763)
Dilution adjustment	42	31
Change in net assets attributable to shareholders from investment activities	361,827	(104,293)
Retained distributions on accumulation shares	4,394	7,476
<b>Closing net assets attributable to shareholders</b>	<b>1,084,473</b>	<b>1,530,886</b>

*Notes to the Financial Statements are on pages 171 to 179.*

## SPW IPS Growth Portfolio

### Balance Sheet

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		968,362	1,436,390
<b>Current assets</b>			
Debtors	8	12,351	7,902
Cash and bank balances	9	7,901	15,257
Cash equivalents‡		107,575	95,855
<b>Total assets</b>		<b>1,096,189</b>	<b>1,555,404</b>
<b>Liabilities</b>			
Investment liabilities		(356)	(10,576)
Provision for liabilities	10	(485)	(15)
<b>Creditors</b>			
Bank overdrafts		-	(2,382)
Distribution payable		(2,333)	(6,052)
Other creditors	11	(8,542)	(5,493)
<b>Total liabilities</b>		<b>(11,716)</b>	<b>(24,518)</b>
<b>Net assets attributable to shareholders</b>		<b>1,084,473</b>	<b>1,530,886</b>

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

Notes to the Financial Statements are on pages 171 to 179.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	308,071	(95,424)
Futures contracts	42,079	(7,663)
Forward currency contracts	11,838	(1,159)
ACD's periodic charge rebates taken to capital	307	247
Fund of funds rebates taken to capital	11	24
Currency gains/(losses)	39	(307)
Transaction charges	(12)	(10)
Compensation for error**	-	53
Net capital gains/(losses)*	362,333	(104,239)

\*Includes realised gains of £364,959,000 and unrealised losses of £2,626,000 (31/10/20: realised gains of £96,541,000 and unrealised losses of £200,780,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

\*\*Compensation for an error paid into IPS Growth Fund by Schroders.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	9,641	21,669
Interest distributions	1,025	-
Offshore distributions	2,836	8,814
Bank interest	-	3
Interest on debt securities	-	84
Fund of funds rebates	38	8
Total revenue	13,540	30,578

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	313	878
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	143	185
Safe custody fees	7	13
	150	198
<b>Other expenses:</b>		
Audit fee	13	12
Registration fees	697	737
Expense capping adjustment†	(464)	(550)
	246	199
Total expenses	709	1,275

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

for the year ended 31st October 2021

**4. Expenses (continued)**

Expenses include irrecoverable VAT.

†Within the Q Income (Gross) share class no registration fee has been deducted and this has been borne by the ACD.

The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £11,250 (31/10/20: £11,023).

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	614	1,532
Corporation tax prior year adjustment	-	50
Double tax relief	(173)	(107)
Irrecoverable overseas tax	173	107
Total current tax	614	1,582
Total deferred tax (note 5c)	470	(48)
Total taxation (note 5b)	1,084	1,534

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	12,728	29,224
Corporation tax of 20% (2020: 20%)	2,545	5,845
<b>Effects of:</b>		
Non-taxable UK dividends*	(1,619)	(4,034)
Overseas non-taxable revenue*	(350)	(331)
Capital income subject to taxation	4	-
Non-taxable income taken to capital*	(443)	-
Taxable income taken to capital	507	54
Irrecoverable overseas tax	173	107
Adjustments in respect of prior years	-	50
Income taxed in prior year	-	(50)
Double tax relief	(173)	(107)
Overseas capital gains tax	440	-
Total tax charge for year (note 5a)	1,084	1,534

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

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

**(c) Deferred taxation:**

	01/11/20 to 31/10/21 £000	31/10/20 to 31/10/20 £000
Provision at the start of the year	15	63
Deferred tax charge in profit and loss account for the year (note 5a)	470	(48)
Provision at the end of the year	485	15
Provision consists of:		
Revenue taxable in different periods	485	15

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

for the year ended 31st October 2021

**6. Distributions**

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000
First interim	1,087	6,309
Second interim	3,318	8,754
Third interim	3,212	4,002
Final	3,897	8,410
	11,514	27,475
Add: Revenue deducted on cancellation of shares	643	427
Deduct: Revenue received on creation of shares	(7)	(158)
Net distributions for the year	12,150	27,744

*Details of the distributions per share are set out in the Distribution Tables on pages 180 to 182.*

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000
Net revenue after taxation	11,644	27,690
Tax charge on rebates taken to capital	506	54
Net distributions for the year	12,150	27,744

**8. Debtors**

	31/10/21	31/10/20
	£000	£000
Sales awaiting settlement	8,481	-
Accrued revenue	3,506	7,598
AMC rebates receivable	16	11
Corporation tax recoverable	151	-
Income tax receivable	152	255
Expense capping adjustment receivable	45	38
Total debtors	12,351	7,902

**9. Cash and bank balances**

	31/10/21	31/10/20
	£000	£000
Cash and bank balances	2,583	4,066
Amounts held at futures clearing houses and brokers	5,318	11,191
Total cash and bank balances	7,901	15,257

**10. Provision for liabilities**

	31/10/21	31/10/20
	£000	£000
Deferred taxation	485	15

**11. Other creditors**

	31/10/21	31/10/20
	£000	£000
Purchases awaiting settlement	3,939	-
Amounts payable for cancellation of shares	4,542	4,893

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

for the year ended 31st October 2021

**11. Other creditors (continued)**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Accrued expenses	61	135
Corporation tax payable	-	465
Total other creditors	<u>8,542</u>	<u>5,493</u>

**12. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited, which amount to £307,132 (31/10/20: £247,047).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £23,516 (31/10/20: £87,559) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustments are disclosed in note 4 with £44,622 (31/10/20: £38,204) 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 948,582,001 shares (31/10/20: 595,328,656 shares) with a cost of £953,032,601 (31/10/20: £734,585,794) and sales of 1,022,893,008 shares (31/10/20: 453,411,700 shares) with sales proceeds of £1,382,930,780 (31/10/20: £581,391,830).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 750,189,625 shares (31/10/20: 546,030,522 shares) and value of £856,871,361 (31/10/20: £1,111,738,214) 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 £10,234,790 (31/10/20: £17,155,168).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>%</b>	<b>%</b>
ACD and associates of the ACD	38.01	26.38

*Material Shareholders*

Boltro Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 3.59%).

Perry Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 2.80%).



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**13. Share classes**

The sub-fund has four share classes in issue (31/10/2020: four).

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

	31/10/21 %
Share Class A - Accumulation:	0.35
Share Class P - Income:	0.20
Share Class Q - Income:	0.20
Share Class X - Accumulation:	-
Share Class X - Income:	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 164 to 168.

The distributions per share class are given in the Distribution Tables on pages 180 to 182.

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation	4,063,877	361,497	(1,323,480)	3,101,894
Share Class P - Income	55,331	-	-	55,331
Share Class Q - Income	683,640,679	1,079,837	(368,045,413)	316,675,103
Share Class X - Accumulation	220,885,466	2,352,755	(49,716,129)	173,522,092
Share Class X - Income	243,248	312	(88,625)	154,935

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £nil).

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

A statement of the sub-fund's objective and the policy for achieving it has been included on page 159. The risks inherent in the sub-fund's investment portfolio are as follows:

**(a) Currency risk**

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

As at 31st October 2021, 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 an increase or decrease of approximately £1,127,216 (31/10/20: £78,923).

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

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	18	18
Canadian dollar	3,851	11,165
Euro	-	(32,902)
Japanese yen	-	(4,614)
US dollar	108,852	34,225
Total	112,721	7,892

The sub-fund is not required to hedge its foreign currency risk, although it may do so through foreign currency exchange contracts, forward contracts, currency options and other methods. To the extent that the Fund does not hedge its foreign currency risk or such hedging is incomplete

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

or unsuccessful, the value of the Fund's assets and revenue could be adversely affected by currency exchange rate movements. There may also be circumstances in which a hedging transaction may reduce currency gains that would otherwise arise in the valuation of the Fund in circumstances where no such hedging transactions are undertaken.

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

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

The sub-fund's net cash holding of £2,582,815 (31/10/20: holding £4,065,966) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £5,317,787 (31/10/20: cash £8,809,574), whose rates are based on SONIA or its international equivalent.

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

*(c) Derivatives and other financial instruments*

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

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

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

<b>Financial derivative instrument exposure - fair value</b>	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	3,583	3,013
Forward currency contracts	140	-
<b>Total Financial derivative instrument exposure</b>	<b>3,723</b>	<b>3,013</b>

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

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

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
BNP Paribas - Forward currency contracts	-	(35)
HSBC Bank - Forward currency contracts	14	(8,227)
Morgan Stanley International - Forward currency contracts	119	(37)
JP Morgan - Forward currency contracts	2	-
UBS - Forward currency contracts	-	(142)
Barclays Bank - Forward currency contracts	5	-
Merrill Lynch - Futures contracts	3,227	878
<b>Total counterparty exposure</b>	<b>3,367</b>	<b>(7,563)</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>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	2,705	11,174
AUD Cash - Merrill Lynch	18	18

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

Collateral	31/10/21 £000	31/10/20 £000
CAD Cash - Merrill Lynch	-	(38)
EUR Cash - Merrill Lynch	87	(102)
JPY Cash - Merrill Lynch	-	(12)
USD Cash - Merrill Lynch	2,508	(2,230)

## (d) Liquidity risk

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

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

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

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

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

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

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

As at 31st October 2021, 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 £10,755,811 (31/10/20: £15,216,685).

## (f) Leverage

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

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

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

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

	31/10/21 %	31/10/20 %
Gross leverage	117.75	121.19
Commitment leverage	25	12.26

## (g) Credit risk

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

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**16. Portfolio transaction costs**

Analysis of total trade costs.

	<b>Purchases</b>		<b>Sales</b>	
	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Collective Investment Schemes	1,199,283	870,849	1,966,186	1,004,326
Fixed Income	-	-	-	48,825
<b>Trades in the year before transaction costs</b>	<b>1,199,283</b>	<b>870,849</b>	<b>1,966,186</b>	<b>1,053,151</b>
<b>Commissions</b>				
Collective Investment Schemes~	0	-	-	-
Futures	35	36	(37)	(35)
Total commissions	35	36	(37)	(35)
<b>Taxes</b>				
Collective Investment Schemes~	0	-	(54)	-
Total costs	35	36	(91)	(35)
<b>Total net trades in the year after transaction costs</b>	<b>1,199,318</b>	<b>870,885</b>	<b>1,966,095</b>	<b>1,053,116</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

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

	<b>Purchases</b>		<b>Sales</b>	
	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Commissions</b>				
Collective Investment Schemes	0.00	-	-	-
<b>Taxes</b>				
Collective Investment Schemes	0.00	-	0.00	-

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

	<b>01/11/20 to 31/10/21</b>	<b>01/11/19 to 31/10/20</b>
	<b>%</b>	<b>%</b>
Commissions	0.01	0.00
Taxes	0.00	-
Total costs	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. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.03% (31/10/20: 0.01%).

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

for the year ended 31st October 2021

**17. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	17,191	(356)	94,284	(2,135)
Level 2	1,058,746	-	1,437,961	(8,441)
Level 3	-	-	-	-
Total fair value	1,075,937	(356)	1,532,245	(10,576)

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

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

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

# SPW IPS Growth Portfolio

## Distribution Tables

for the year ended 31st October 2021

### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2020  
 Second interim Shares purchased prior to 1st February 2021  
 Third interim Shares purchased prior to 1st May 2021  
 Final Shares purchased prior to 1st August 2021

Group 2 First interim Shares purchased on or between 1st November 2020 and 31st January 2021  
 Second interim Shares purchased on or between 1st February 2021 and 30th April 2021  
 Third interim Shares purchased on or between 1st May 2021 and 31st July 2021  
 Final Shares purchased on or between 1st August 2021 and 31st October 2021

### Share Class A - Accumulation

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.0417	-	0.0417	0.6342
Second interim	0.4907	-	0.4907	0.9168
Third interim	0.5847	-	0.5847	0.4239
Final	0.7720	-	0.7720	0.9933
Group 2	(p)	(p)	(p)	(p)
First interim	-	-	-	-
Second interim	-	0.4907	0.4907	0.9168
Third interim	0.4479	0.1368	0.5847	0.4239
Final	-	-	-	-

### Share Class P - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.1089	-	0.1089	0.5854
Second interim	0.4827	-	0.4827	0.8128
Third interim	0.5404	-	0.5404	0.3686
Final	0.7032	-	0.7032	0.8725
Group 2	(p)	(p)	(p)	(p)
First interim	-	-	-	-
Second interim	-	-	-	-
Third interim	-	-	-	-
Final	-	-	-	-

### Share Class Q - Income

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.1178	-	0.1178	0.6011
Second interim	0.5027	-	0.5027	0.8252
Third interim	0.5561	-	0.5561	0.3813
Final	0.7361	-	0.7361	0.8849
Group 2	(p)	(p)	(p)	(p)
First interim	0.0516	0.0662	0.1178	0.6011
Second interim	0.2547	0.2480	0.5027	0.8252
Third interim	0.4001	0.1560	0.5561	0.3813
Final	0.3861	0.3500	0.7361	0.8849

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

for the year ended 31st October 2021

**Share Class X - Accumulation**

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.2030	-	0.2030	0.7250
Second interim	0.6332	-	0.6332	0.9696
Third interim	0.6943	-	0.6943	0.4833
Final	0.8877	-	0.8877	1.0492
Group 2	(p)	(p)	(p)	(p)
First interim	0.2023	0.0007	0.2030	0.7250
Second interim	0.1806	0.4526	0.6332	0.9696
Third interim	0.6161	0.0782	0.6943	0.4833
Final	0.8858	0.0019	0.8877	1.0492

**Share Class X - Income**

	Net revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.1628	-	0.1628	0.6002
Second interim	0.5145	-	0.5145	0.7997
Third interim	0.5625	-	0.5625	0.3958
Final	0.7171	-	0.7171	0.8585
Group 2	(p)	(p)	(p)	(p)
First interim	0.0103	0.1525	0.1628	0.6002
Second interim	-	-	-	0.7997
Third interim	-	-	-	0.3958
Final	-	-	-	-

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

for the year ended 31st October 2021

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

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

First interim - 34.52% of the dividend is received as non-taxable income.

First interim - 37.64% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

First interim - 27.84% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Second interim - 93.68% of the dividend is received as non-taxable income.

Second interim - 3.85% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Second interim - 2.47% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Third interim - 67.57% of the dividend is received as non-taxable income.

Third interim - 25.54% of the dividend is received as an annual payment (non-foreign element) received after the deduction of tax.

Third interim - 6.89% of the dividend is received as an annual payment (foreign element) received after the deduction of tax.

Final - 97.70% of the dividend is received as non-taxable income.

Final - 2.30% 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 31st October 2021

### Investment Objective

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

### Investment Policy

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

The Fund may invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates. These may be actively or passively managed.

The Fund will invest at least 60% of its assets in fixed and floating rate securities.

The Fund may also invest up to 40% of its assets in equity and equity related securities and alternative investments.

The Fund may invest up to 25% of its assets in below investment grade bonds (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) or in unrated bonds.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on its or the Investment Adviser's views on the medium to long term outlook for that asset class.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly and indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund may take long and short positions in markets and securities through derivative contracts. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

### Synthetic Risk and Reward Indicator

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

The Fund is ranked at 4* because, based on historical data, it would have experienced medium levels of volatility over the past five years.  *As disclosed in the key investor information document dated 28th September 2021.	<div> <div>Typically lower rewards, lower risks</div> <div>Typically higher rewards, higher risks</div> </div>						
	←						
	1	2	3	4	5	6	7

### Investment Review

Performance	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %	01/11/17 to 31/10/18 %	01/11/16 to 31/10/17 %
SPW IPS Income Portfolio A Accumulation	5.60	(0.87)	7.08	(1.85)	4.00

Source: SPW IPS Income Portfolio A Accumulation share price movement in GBP at valuation point. Basis: Gross revenue reinvested and net of expenses.

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

The fund returned 5.6% in the 12 months to 31 October 2021. The benchmark returned 3.8% in the same period.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more than four years.

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

for the year ended 31st October 2021

**Investment Review (continued)**

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

# SPW IPS Income Portfolio

## Portfolio Statement

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.42%, 31/10/20 100.06%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	543,463	6,180	0.51
Nordea 1 Diversified Return Fund BD GBP Acc	502,862	65,372	5.40
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	15,116,140	207,393	17.13
Schroder Multi-Asset Total Return X GBP (Hedged) Acct £	232,073	26,329	2.18
Schroder Sterling Liquidity Fund X Inc £	37,877,637	37,878	3.13
Schroders Personal Wealth Multi-Manager	11,857,815	11,504	0.95
Asia ex Japan & Global Emerging Markets Equity Fund Q Inc			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund Q Inc	10,375,588	10,697	0.88
Schroders Personal Wealth Multi-Manager	74,766,784	73,406	6.07
Global High Income & Emerging Markets Fund Q Inc			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc	396,267,178	396,109	32.72
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund P Inc	19,940,255	42,592	3.52
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc	159,248,903	158,086	13.06
Schroders Personal Wealth Multi-Manager Japanese Equity Fund Q Inc	5,187,794	5,245	0.43
Schroders Personal Wealth Multi-Manager North American Equity Fund Q Inc	42,571,352	45,041	3.72
Schroders Personal Wealth Multi-Manager UK Equity Fund P Inc	9,576,700	19,422	1.61
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	1,279,286	13,355	1.10
Vanguard Global Corporate Bond Index Fund	799,313	78,692	6.50
		1,197,301	98.91
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	380,994	6,190	0.51
		6,190	0.51
<b>TOTAL FINANCIALS</b>		<b>1,203,491</b>	<b>99.42</b>

**Portfolio Statement**

(continued)

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>DERIVATIVES (0.08%, 31/10/20 0.00%)</b>			
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(37)	(147)	(0.01)
E Mini Russell 2000 Index Futures December 2021	295	644	0.05
Euro BUXL 30 Year Bund Futures December 2021	(50)	74	0.01
EURO STOXX 50 Index Futures December 2021	176	147	0.01
FTSE 100 Index Futures December 2021	170	64	0.00
MSCI Emerging Markets Index Futures December 2021	261	(106)	(0.01)
S&P 500 E Mini Index Futures December 2021	(44)	(163)	(0.01)
UK Long Gilt Futures December 2021	98	58	0.00
US Treasury Note 10 Year Ultra Bond Futures December 2021	(274)	452	0.04
		1,023	0.08
<b>TOTAL DERIVATIVES</b>		<b>1,023</b>	<b>0.08</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>1,204,514</b>	<b>99.50</b>
<b>Net other assets</b>		<b>6,035</b>	<b>0.50</b>
<b>Total net assets</b>		<b>1,210,549</b>	<b>100.00</b>

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

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

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

<sup>†</sup>This investment is a related party (see note 12).

<sup>‡</sup>Cash equivalents.

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

## SPW IPS Income Portfolio

### Material Portfolio Changes

for the year ended 31st October 2021

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	650,314	Schroder Sterling Liquidity Fund X Inc†‡	650,521
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	516,431	Eastspring US Corporate Bond Fund RGDM GBP (Hedged) Inc	183,637
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	212,124	State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	162,231
Vanguard Global Corporate Bond Index Fund	106,154	Royal London Sterling Credit Fund Z Inc	121,493
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Inc†	90,931	Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	121,347
Schroders Personal Wealth Multi-Manager International Equity Fund P Inc†	83,346	iShares Core EUR Corporate Bond UCITS#	99,177
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	36,032	Aberdeen Standard Corporate Bond Fund Q Inc	85,979
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund P Inc†	24,771	JP Morgan Global Corporate Bond Fund I2 GBP (Hedged) Inc	79,867
iShares UK Gilts All Stocks Index Fund H Inc	21,340	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	79,408
Nordea 1 Diversified Return Fund BD GBP Acc	16,933	Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	52,805

The above 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 12).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange traded fund.

## SPW IPS Income Portfolio

### Comparative Table

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	141.37	142.23	132.81
Return before operating charges*	8.55	0.38	10.70
Operating charges	(1.26)	(1.24)	(1.28)
Return after operating charges*	7.29	(0.86)	9.42
Distributions	(2.40)	(3.63)	(3.05)
Retained distributions on accumulation shares	2.40	3.63	3.05
Closing net asset value per share	148.66	141.37	142.23
*after direct transaction cost of:	0.01	0.08	0.00
<b>Performance</b>			
Return after charges^	5.16%	(0.60)%	7.09%
<b>Other information</b>			
Closing net asset value (£000)	873	1,548	1,539
Closing number of shares	587,262	1,095,314	1,082,097
Operating charges#	0.86%	0.88%	0.93%
Direct transaction costs	0.01%	0.06%	0.00%
<b>Prices**</b>			
Highest share price	150.80	145.90	142.90
Lowest share price	141.10	127.50	131.40

#Operating charges are representative of the ongoing charges figure.

^ The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 183 which is sourced from Lipper and based on daily published prices.

\*\*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.

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

as at 31st October 2021

	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class P - Income (Gross)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	114.63	109.43
Return before operating charges*	0.30	8.73
Operating charges	(0.23)	(0.88)
Return after operating charges*	0.07	7.85
Distributions	-	(2.65)
Return to shareholder as a result of class closure	(114.70)	-
Closing net asset value per share	-	114.63
*after direct transaction cost of:	0.02	0.00
<b>Performance</b>		
Return after charges	0.06%	7.17%
<b>Other information</b>		
Closing net asset value (£000)	-	11
Closing number of shares	-	9,500
Operating charges#	0.74%	0.79%
Direct transaction costs	0.06%	0.00%
<b>Prices**</b>		
Highest share price	115.20	115.90
Lowest share price	114.30	108.30

#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.

Share Classes P Income (Gross) was closed on 9th December 2019.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class Q - Income (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	111.07	114.65	109.44
Return before operating charges*	6.69	0.31	8.75
Operating charges	(0.69)	(0.72)	(0.77)
Return after operating charges*	6.00	(0.41)	7.98
Distributions	(2.15)	(3.17)	(2.77)
Closing net asset value per share	114.92	111.07	114.65
*after direct transaction cost of:	0.01	0.06	0.00
<b>Performance</b>			
Return after charges	5.40%	(0.36)%	7.29%
<b>Other information</b>			
Closing net asset value (£000)	794,756	1,081,990	1,198,438
Closing number of shares	691,594,664	974,179,631	1,045,301,043
Operating charges#	0.60%	0.64%	0.69%
Direct transaction costs	0.01%	0.06%	0.00%
<b>Prices**</b>			
Highest share price	117.30	117.00	116.00
Lowest share price	110.90	102.20	108.30

#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.



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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	138.82	139.17	129.50
Return before operating charges*	8.36	0.38	10.45
Operating charges	(0.70)	(0.73)	(0.78)
Return after operating charges*	7.66	(0.35)	9.67
Distributions	(2.86)	(4.04)	(3.45)
Retained distributions on accumulation shares	2.86	4.04	3.45
Closing net asset value per share	146.48	138.82	139.17
*after direct transaction cost of:	0.01	0.08	0.00
<b>Performance</b>			
Return after charges	5.52%	(0.25)%	7.47%
<b>Other information</b>			
Closing net asset value (£000)	414,920	337,285	332,068
Closing number of shares	283,265,029	242,974,071	238,602,079
Operating charges#	0.48%	0.53%	0.58%
Direct transaction costs	0.01%	0.06%	0.00%
<b>Prices**</b>			
Highest share price	148.60	142.90	139.80
Lowest share price	138.60	124.90	128.10

#Operating charges are representative of the ongoing charges figure.

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

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

**Statement of Total Return**

for the year ended 31st October 2021

		01/11/20 to 31/10/21		01/11/19 to 31/10/20	
	Notes	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		50,046		(47,072)
Revenue	3	28,192		44,324	
Expenses	4	(2,343)		(2,666)	
Interest payable and similar charges		(36)		(25)	
Net revenue before taxation		25,813		41,633	
Taxation	5	(305)		(24)	
Net revenue after taxation			25,508		41,609
<b>Total return before distributions</b>			<b>75,554</b>		<b>(5,463)</b>
Distributions	6		(25,813)		(41,623)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>49,741</b>		<b>(47,086)</b>

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

for the year ended 31st October 2021

	01/11/20 to 31/10/21		01/11/19 to 31/10/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>1,420,823</b>		<b>1,532,056</b>
Amounts receivable on creation of shares	225,064		95,450	
Less: Amounts payable on cancellation of shares	(493,015)		(169,199)	
		(267,951)		(73,749)
Dilution adjustment		16		46
Change in net assets attributable to shareholders from investment activities		49,741		(47,086)
Retained distributions on accumulation shares		7,920		9,556
<b>Closing net assets attributable to shareholders</b>		<b>1,210,549</b>		<b>1,420,823</b>

Notes to the Financial Statements are on pages 194 to 203.

## SPW IPS Income Portfolio

### Balance Sheet

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		1,167,052	1,385,689
<b>Current assets</b>			
Debtors	8	10,593	4,304
Cash and bank balances	9	8,305	8,282
Cash equivalents‡		37,878	38,085
<b>Total assets</b>		<b>1,223,828</b>	<b>1,436,360</b>
<b>Liabilities</b>			
Investment liabilities		(416)	(2,117)
Provision for liabilities	10	(58)	(12)
<b>Creditors</b>			
Bank overdrafts		(194)	(657)
Distribution payable		(4,595)	(6,612)
Other creditors	11	(8,016)	(6,139)
<b>Total liabilities</b>		<b>(13,279)</b>	<b>(15,537)</b>
<b>Net assets attributable to shareholders</b>		<b>1,210,549</b>	<b>1,420,823</b>

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

Notes to the Financial Statements are on pages 194 to 203.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	33,561	(33,566)
Futures contracts	12,547	(8,645)
Forward currency contracts	2,482	(5,915)
ACD's periodic charge rebates taken to capital	1,491	62
Fund of funds rebates taken to capital	34	10
Currency (losses)/gains	(59)	992
Transaction charges	(10)	(10)
Net capital gains/(losses)*	50,046	(47,072)

\*Includes realised gains of £37,533,000 and unrealised gains of £12,513,000 (31/10/20: realised losses of £5,451,000 and unrealised losses of £41,621,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
UK dividends	2,359	2,786
Interest distributions	10,262	7,941
Offshore distributions	15,556	33,479
Bank interest	1	1
HM Revenue and Customs interest	1	1
Interest on debt securities	-	63
AMC rebates	13	53
Total revenue	28,192	44,324

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	1,801	2,166
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	150	158
Safe custody fees	15	24
	165	182

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

for the year ended 31st October 2021

**4. Expenses (continued)**

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Other expenses:</b>		
Audit fee	13	11
Registration fees	1,284	1,376
Expense capping adjustment†	(920)	(1,069)
	<u>377</u>	<u>318</u>
Total expenses	<u>2,343</u>	<u>2,666</u>

Expenses include irrecoverable VAT.

†Within the Q Income (Gross) share class no registration fee has been deducted and this has been borne by the ACD.

The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £11,250 (31/10/20: £11,023).

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	259	57
Double tax relief	(116)	(43)
Irrecoverable overseas tax	116	51
Total current tax	<u>259</u>	<u>65</u>
Total deferred tax (note 5c)	46	(41)
Total taxation (note 5b)	<u>305</u>	<u>24</u>

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	25,813	41,633
Corporation tax of 20% (2020: 20%)	5,163	8,327
<b>Effects of:</b>		
Non-taxable UK dividends*	(193)	(361)
Overseas non-taxable revenue*	(157)	(149)
Taxable income taken to capital	305	14
Irrecoverable overseas tax	116	51
Tax deductible interest distributions	(4,813)	(7,815)
Double tax relief	(116)	(43)
Total tax charge for year (note 5a)	<u>305</u>	<u>24</u>

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

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

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

for the year ended 31st October 2021

**5. Taxation (continued)****(c) Deferred taxation:**

	01/11/20 to 31/10/21 £000	31/10/20 to 31/10/20 £000
Provision at the start of the year	12	53
Deferred tax charge in profit and loss account for the year (note 5a)	46	(41)
Provision at the end of the year	58	12
Provision consists of:		
Revenue taxable in different periods	58	12

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
First interim	5,701	9,808
Second interim	5,543	7,187
Third interim	7,194	15,439
Final	7,085	8,759
	25,523	41,193
Add: Revenue deducted on cancellation of shares	985	683
Deduct: Revenue received on creation of shares	(695)	(253)
Net distributions for the year	25,813	41,623

*Details of the distributions per share are set out in the Distribution Tables on pages 204 to 205.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	25,508	41,609
Tax charge on rebates taken to capital	305	14
Net distributions for the year	25,813	41,623

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	6,253	2,166
Accrued revenue	3,889	1,660
AMC rebates receivable	41	15
Income tax receivable	348	376
Expense capping adjustment receivable	62	87
Total debtors	10,593	4,304

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

for the year ended 31st October 2021

**9. Cash and bank balances**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Cash and bank balances	5,584	2,828
Amounts held at futures clearing houses and brokers	2,721	5,454
Total cash and bank balances	<u>8,305</u>	<u>8,282</u>

**10. Provision for liabilities**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Deferred taxation	<u>58</u>	<u>12</u>

**11. Other creditors**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Purchases awaiting settlement	1,946	-
Amounts payable for cancellation of shares	5,843	5,792
Accrued expenses	84	333
Corporation tax payable	143	14
Total other creditors	<u>8,016</u>	<u>6,139</u>

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**12. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £1,491,159 (31/10/20: £61,673).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £44,251 (31/10/20: £284,088) 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 £61,749 (31/10/20: £86,699) 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 1,503,228,801 shares (31/10/20: 377,422,591 shares) with a cost of £1,577,915,828 (31/10/20: £496,199,333) and sales of 870,451,080 shares (31/10/20: 335,260,970 shares) with sales proceeds of £944,229,762 (31/10/20: £397,335,295).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 767,902,078 shares (31/10/20: 77,511,534 shares) and value of £826,308,262 (31/10/20: £160,593,187) 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 £10,004,520 (31/10/20: £1,858,248).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	31/10/21	31/10/20
	%	%
ACD and associates of the ACD	34.15	23.60

*Material Shareholders*

Boltro Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 6.38%).

Perry Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 1.37%).

**13. Share classes**

The sub-fund has three share classes in issue (31/10/2020: three).

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

	31/10/21
	%
Share Class A - Accumulation (Gross):	0.35
Share Class Q - Income (Gross):	0.20
Share Class X - Accumulation (Gross):	-

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 188 to 191.

The distributions per share class are given in the Distribution Tables on pages 204 to 205.



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class A - Accumulation (Gross)	1,095,314	158,118	(666,170)	587,262
Share Class Q - Income (Gross)	974,179,631	138,715,093	(421,300,060)	691,594,664
Share Class X - Accumulation (Gross)	242,974,071	46,450,839	(6,159,881)	283,265,029

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £nil).

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

A statement of the sub-fund's objective and the policy for achieving it has been included on page 183. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

As at 31st October 2021, 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 £72,052 (31/10/20: £57,334).

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

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	41	802
Canadian dollar	169	167
Euro	85	(17)
Japanese yen	3	(63)
US dollar	6,907	4,844
Total	7,205	5,733

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

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

The sub-fund receives revenue from holdings in collective investment schemes and exchange traded funds. The 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 £5,584,673 (31/10/20: holding £2,827,707) 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 £2,527,135 (31/10/20: overdraft £4,796,909), 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 31st October 2021

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

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

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

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

<b>Financial derivative instrument exposure - fair value</b>	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Exchange traded derivatives	1,439	1,946
Forward currency contracts	-	124
<b>Total Financial derivative instrument exposure</b>	<b>1,439</b>	<b>2,070</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.

<b>Counterparties to financial derivative instruments and efficient portfolio management techniques</b>	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
HSBC Bank - Forward currency contracts	-	(1,052)
Lloyds Bank - Forward currency contracts	-	124
Merrill Lynch - Futures contracts	1,023	881
<b>Total counterparty exposure</b>	<b>1,023</b>	<b>(47)</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>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
The type and amount of collateral received/(paid) to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	2,498	4,486
AUD Cash - Merrill Lynch	40	802
CAD Cash - Merrill Lynch	170	167
EUR Cash - Merrill Lynch	10	(17)
JPY Cash - Merrill Lynch	3	(63)
USD Cash - Merrill Lynch	(194)	(578)

*(d) Liquidity risk*

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

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

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

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

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

for the year ended 31st October 2021

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

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

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

As at 31st October 2021, 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 £12,045,139 (31/10/20: £14,216,566).

*(f) Leverage*

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

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

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

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

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>%</b>	<b>%</b>
Gross leverage	105.31	108.22
Commitment leverage	11.13	6.47

*(g) Credit risk*

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

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

## 16. Portfolio transaction costs

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000	£000	£000
Collective Investment Schemes	1,834,726	834,991	2,090,359	880,301
Fixed Income	-	-	-	36,715
<b>Trades in the year before transaction costs</b>	<b>1,834,726</b>	<b>834,991</b>	<b>2,090,359</b>	<b>917,016</b>
<b>Commissions</b>				
Collective Investment Schemes	-	-	(1)	-
Futures	18	18	(19)	(18)
Total commissions	18	18	(20)	(18)
<b>Taxes</b>				
Collective Investment Schemes~	0	780	(66)	-
Total costs	18	798	(86)	(18)
<b>Total net trades in the year after transaction costs</b>	<b>1,834,744</b>	<b>835,789</b>	<b>2,090,273</b>	<b>916,998</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

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

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%	%	%
<b>Commissions</b>				
Collective Investment Schemes	-	-	0.00	-
<b>Taxes</b>				
Collective Investment Schemes	-	0.09	0.00	-

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%
Commissions	0.00	0.00
Taxes	0.00	0.05
Total costs	0.00	0.05

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

## Average portfolio dealing spread

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/20: 0.02%).

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

for the year ended 31st October 2021

**17. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	7,629	(416)	143,034	(1,065)
Level 2	1,197,301	-	1,280,740	(1,052)
Level 3	-	-	-	-
Total fair value	1,204,930	(416)	1,423,774	(2,117)

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

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

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

# SPW IPS Income Portfolio

## Distribution Tables

for the year ended 31st October 2021

### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2020  
 Second interim Shares purchased prior to 1st February 2021  
 Third interim Shares purchased prior to 1st May 2021  
 Final Shares purchased prior to 1st August 2021

Group 2 First interim Shares purchased on or between 1st November 2020 and 31st January 2021  
 Second interim Shares purchased on or between 1st February 2021 and 30th April 2021  
 Third interim Shares purchased on or between 1st May 2021 and 31st July 2021  
 Final Shares purchased on or between 1st August 2021 and 31st October 2021

### Share Class A - Accumulation (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.4698	-	0.4698	0.8202
Second interim	0.4656	-	0.4656	0.6107
Third interim	0.7007	-	0.7007	1.4223
Final	0.7660	-	0.7660	0.7727
Group 2	(p)	(p)	(p)	(p)
First interim	0.4698	-	0.4698	0.8202
Second interim	0.4656	-	0.4656	0.6107
Third interim	0.7007	-	0.7007	1.4223
Final	0.7660	-	0.7660	0.7727

### Share Class Q - Income (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.4389	-	0.4389	0.7320
Second interim	0.4304	-	0.4304	0.5564
Third interim	0.6140	-	0.6140	1.2033
Final	0.6644	-	0.6644	0.6787
Group 2	(p)	(p)	(p)	(p)
First interim	0.0863	0.3526	0.4389	0.7320
Second interim	0.0782	0.3522	0.4304	0.5564
Third interim	0.2661	0.3479	0.6140	1.2033
Final	0.4424	0.2220	0.6644	0.6787

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

for the year ended 31st October 2021

**Share Class X - Accumulation (Gross)**

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.5860	-	0.5860	0.9261
Second interim	0.5777	-	0.5777	0.7152
Third interim	0.8215	-	0.8215	1.5147
Final	0.8776	-	0.8776	0.8797
Group 2	(p)	(p)	(p)	(p)
First interim	0.2766	0.3094	0.5860	0.9261
Second interim	0.3386	0.2391	0.5777	0.7152
Third interim	0.6344	0.1871	0.8215	1.5147
Final	0.8776	-	0.8776	0.8797

# SPW IPS Strategic Income Portfolio

## Investment Markets Overview

for the year ended 31st October 2021

### Investment Objective

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

### Investment Policy

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

The Fund may invest up to 100% of its assets in collective investment schemes, including funds managed by the ACD, the Investment Adviser or their associates. These may be actively or passively managed.

The Fund has a strategic focus on income-generating securities.

The Fund invests at least 60% of its assets in fixed and floating rate securities.

The Fund may also invest up to 40% of its assets in equity and equity related securities and alternative investments.

The Fund may invest up to 45% of its assets in below investment grade bonds (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) or in unrated bonds.

The ACD is responsible for determining the percentage of the Fund normally allocated to each asset class based on its or the Investment Adviser's views on the medium to long term outlook for that asset class.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly and indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk, managing the Fund more efficiently (often referred to as 'efficient portfolio management') or for investment purposes. The Fund may take long and short positions in markets and securities through derivative contracts. The use of derivatives has the potential to increase the Fund's risk profile and could result in increased price volatility.

### Synthetic Risk and Reward Indicator

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

The Fund is ranked at 4* because, based on historical data, it would have experienced medium levels of volatility over the past five years.  *As disclosed in the key investor information document dated 28th September 2021.	Typically lower rewards, lower risks						
	←						
	1	2	3	4	5	6	7

### Investment Review

Performance	01/11/20 to 31/10/21 %	01/11/19 to 31/10/20 %	01/11/18 to 31/10/19 %	01/11/17 to 31/10/18 %	01/11/16 to 31/10/17 %
SPW IPS Strategic Income Portfolio Q Income	7.61	(4.79)	4.53	(4.33)	3.41

Source: IPS Strategic Income Portfolio Q Income share price movement in GBP at valuation point. Basis: Gross revenue reinvested and net of expenses. Past performance is not a reliable indicator of future results. The value of an investment and any revenue from it is not guaranteed and can go down as well as up depending on investment performance and currency exchange rates.

The fund returned 7.6% in the 12 months to 31 October 2021. The benchmark returned 9.2% in the same period.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more four years.



## Investment Markets Overview

(continued)

for the year ended 31st October 2021

### Investment Review (continued)

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

# SPW IPS Strategic Income Portfolio

## Portfolio Statement

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (99.87%, 31/10/20 100.68%)</b>			
<b>Collective Investment Schemes</b>			
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	71,645	983	5.16
Schroder Sterling Liquidity Fund X Inc†±Ø	782,443	782	4.11
Schroders Personal Wealth Multi-Manager	180,452	175	0.92
Asia ex Japan & Global Emerging Markets Equity Fund Q Inc†			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund Q Inc†	157,895	163	0.85
Schroders Personal Wealth Multi-Manager	5,692,384	5,589	29.35
Global High Income & Emerging Markets Fund Q Inc†			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	6,245,656	6,243	32.78
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund P Inc†	284,953	609	3.20
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	690,314	685	3.60
Schroders Personal Wealth Multi-Manager Japanese Equity Fund Q Inc†	55,045	56	0.29
Schroders Personal Wealth Multi-Manager North American Equity Fund Q Inc†	541,343	573	3.01
Schroders Personal Wealth Multi-Manager UK Equity Income Fund P Inc†	189,099	293	1.54
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	48,116	502	2.63
Vanguard Global Corporate Bond Index Fund	24,052	2,368	12.43
		19,021	99.87
<b>TOTAL FINANCIALS</b>		<b>19,021</b>	<b>99.87</b>
<b>DERIVATIVES (0.10%, 31/10/20 0.09%)</b>			
<b>Forward Currency Contracts</b>			
Bought USD252,000 for GBP182,614 Settlement 24/11/2021~		0	0.00
		0	0.00

**Portfolio Statement**

(continued)

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(3)	(2)	(0.01)
E Mini Russell 2000 Index Futures December 2021	5	11	0.06
Euro BUXL 30 Year Bund Futures December 2021	(1)	2	0.01
EURO STOXX 50 Index Futures December 2021	3	2	0.01
FTSE 100 Index Futures December 2021	3	1	0.01
Mini TOPIX Index Futures December 2021~	3	(1)	(0.01)
MSCI Emerging Markets Index Futures December 2021	4	(2)	(0.01)
UK Long Gilt Futures December 2021	2	1	0.00
US Treasury Note 10 Year Ultra Bond Futures December 2021	(4)	7	0.04
		19	0.10
<b>TOTAL DERIVATIVES</b>		<b>19</b>	<b>0.10</b>
<b>Portfolio of investments^</b>		<b>19,040</b>	<b>99.97</b>
<b>Net other assets</b>		<b>5</b>	<b>0.03</b>
<b>Total net assets</b>		<b>19,045</b>	<b>100.00</b>

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

Derivative can be exchange traded or over the counter (OTC) contracts.

†This investment is a related party (see note 12).

‡Cash equivalents.

◇Asset managed by the Investment Adviser.

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

## SPW IPS Strategic Income Portfolio

### Material Portfolio Changes

for the year ended 31st October 2021

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroder Sterling Liquidity Fund X Inc†‡	17,937	Schroder Sterling Liquidity Fund X Inc†‡	18,307
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	10,869	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	8,028
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Inc†	9,211	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	5,679
Vanguard Global Corporate Bond Index Fund	3,803	Royal London Sterling Credit Fund Z Inc	5,565
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Inc†	1,390	Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Inc†	4,659
Schroders Personal Wealth Multi-Manager International Equity Fund P Inc†	1,262	Aberdeen Standard Corporate Bond Fund Q Inc	4,364
Royal London Sterling Credit Fund Z Inc	827	Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Inc†	3,531
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	807	Schroders Personal Wealth Multi-Manager UK Equity Income Fund P Inc†	2,849
PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	591	Vanguard Global Corporate Bond Index Fund	1,471
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	535	JP Morgan Global Corporate Bond Fund I2 GBP (Hedged) Inc	1,328

The above 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 12).

‡Cash equivalents.

◊Asset managed by the Investment Adviser.

## SPW IPS Strategic Income Portfolio

### Comparative Table

as at 31st October 2021

	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation (Gross)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	148.80	137.55
Return before operating charges*	0.46	12.63
Operating charges	(0.36)	(1.38)
Return after operating charges*	0.10	11.25
Distributions	-	(4.92)
Retained distributions on accumulation shares	-	4.92
Return to shareholder as a result of class closure	(148.90)	-
Closing net asset value per share	-	148.80
*after direct transaction cost of:	0.02	-
<b>Performance</b>		
Return after charges^	0.07%	8.18%
<b>Other information</b>		
Closing net asset value (£000)	-	11
Closing number of shares	-	7,500
Operating charges#	0.91%	0.97%
Direct transaction costs	0.05%	0.00%
<b>Prices**</b>		
Highest share price	149.80	149.00
Lowest share price	148.50	134.70

^ 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 206 which is sourced from Schroder and based on daily published prices.

# 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.

Share Classes A Accumulation (Gross) was closed on 9th December 2019.

# SPW IPS Strategic Income Portfolio

## Comparative Table

(continued)

as at 31st October 2021

	31/10/20 (p)	31/10/19 (p)
<b>Share Class P - Income (Gross)</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	114.78	109.79
Return before operating charges*	0.25	9.95
Operating charges	(0.23)	(0.92)
Return after operating charges*	0.02	9.03
Distributions	-	(4.04)
Return to shareholder as a result of class closure	(114.80)	-
Closing net asset value per share	-	114.78
*after direct transaction cost of:	0.02	-
<b>Performance</b>		
Return after charges	0.02%	8.22%
<b>Other information</b>		
Closing net asset value (£000)	-	11
Closing number of shares	-	9,500
Operating charges#	0.77%	0.82%
Direct transaction costs	0.05%	0.00%
<b>Prices**</b>		
Highest share price	115.60	116.10
Lowest share price	114.60	107.60

#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.

Share Classes P Income (Gross) was closed on 9th December 2019.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class Q - Income (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	105.76	114.20	109.23
Return before operating charges*	8.59	(4.31)	9.91
Operating charges	(0.77)	(0.77)	(0.81)
Return after operating charges*	7.82	(5.08)	9.10
Distributions	(2.40)	(3.36)	(4.13)
Closing net asset value per share	111.18	105.76	114.20
*after direct transaction cost of:	0.01	0.06	-
<b>Performance</b>			
Return after charges^	7.39%	(4.45%)	8.33%
<b>Other information</b>			
Closing net asset value (£000)	18,289	31,370	36,189
Closing number of shares	16,450,901	29,659,943	31,689,375
Operating charges#	0.69%	0.70%	0.73%
Direct transaction costs	0.00%	0.05%	0.00%
<b>Prices**</b>			
Highest share price	113.50	117.50	115.50
Lowest share price	105.80	97.37	107.00

^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 206 which is sourced from Schroder and based on daily published prices.

#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.

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

as at 31st October 2021

	<b>31/10/21</b> <b>(p)</b>	<b>31/10/20</b> <b>(p)</b>	<b>31/10/19</b> <b>(p)</b>
<b>Share Class X - Income (Gross)</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	102.62	110.80	105.98
Return before operating charges*	8.31	(4.17)	9.61
Operating charges	(0.60)	(0.63)	(0.67)
Return after operating charges*	7.71	(4.80)	8.94
Distributions	(2.45)	(3.38)	(4.12)
Closing net asset value per share	107.88	102.62	110.80
*after direct transaction cost of:	0.00	0.06	-
<b>Performance</b>			
Return after charges	7.51%	(4.33%)	8.44%
<b>Other information</b>			
Closing net asset value (£000)	756	638	679
Closing number of shares	700,627	621,723	612,606
Operating charges#	0.56%	0.59%	0.62%
Direct transaction costs	0.00%	0.05%	0.00%
<b>Prices**</b>			
Highest share price	110.10	114.10	112.10
Lowest share price	102.60	94.49	103.90

#Operating charges are representative of the ongoing charges figure.

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

Prices for Share Class X Income (Gross) are not published externally, as this is an internal share class.



**Statement of Total Return**

for the year ended 31st October 2021

		01/11/20 to 31/10/21		01/11/19 to 31/10/20	
	Notes	£000	£000	£000	£000
Income					
Net capital gains/(losses)	2		1,626		(2,594)
Revenue	3	638		1,150	
Expenses	4	(67)		(84)	
Interest payable and similar charges		(1)		(1)	
Net revenue before taxation		570		1,065	
Taxation	5	(7)		(4)	
Net revenue after taxation			563		1,061
<b>Total return before distributions</b>			<b>2,189</b>		<b>(1,533)</b>
Distributions	6		(570)		(1,063)
<b>Change in net assets attributable to shareholders from investment activities</b>			<b>1,619</b>		<b>(2,596)</b>

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

for the year ended 31st October 2021

	01/11/20 to 31/10/21		01/11/19 to 31/10/20	
	£000	£000	£000	£000
<b>Opening net assets attributable to shareholders</b>		<b>32,008</b>		<b>36,890</b>
Amounts receivable on creation of shares	4,741		4,469	
Less: Amounts payable on cancellation of shares	(19,322)		(6,755)	
		(14,581)		(2,286)
Dilution adjustment		(1)		-
Change in net assets attributable to shareholders from investment activities		1,619		(2,596)
<b>Closing net assets attributable to shareholders</b>		<b>19,045</b>		<b>32,008</b>

*Notes to the Financial Statements are on pages 217 to 224.*

## SPW IPS Strategic Income Portfolio

### Balance Sheet

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		18,263	31,128
<b>Current assets</b>			
Debtors	8	241	95
Cash and bank balances	9	88	114
Cash equivalents‡		782	1,153
<b>Total assets</b>		<b>19,374</b>	<b>32,490</b>
<b>Liabilities</b>			
Investment liabilities		(5)	(28)
Provision for liabilities	10	(1)	-
<b>Creditors</b>			
Bank overdrafts		-	(11)
Distribution payable		(116)	(280)
Other creditors	11	(207)	(163)
<b>Total liabilities</b>		<b>(329)</b>	<b>(482)</b>
<b>Net assets attributable to shareholders</b>		<b>19,045</b>	<b>32,008</b>

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

Notes to the Financial Statements are on pages 217 to 224.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	1,193	(2,467)
Futures contracts	344	(176)
Forward currency contracts	64	51
ACD's periodic charge rebates taken to capital	37	9
Currency losses	(1)	(3)
Transaction charges	(11)	(8)
Net capital gains/(losses)*	1,626	(2,594)

\*Includes realised gains of £555,000 and unrealised gains of £1,071,000 (31/10/20: realised losses of £1,022,000 and unrealised losses of £1,572,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	66	170
Interest distributions	391	351
Offshore distributions	181	629
Total revenue	638	1,150

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	50	68
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	3	4
<b>Other expenses:</b>		
Audit fee	13	11
Registration fees	25	31
Expense capping adjustment†	(24)	(30)
	14	12
Total expenses	67	84

Expenses include irrecoverable VAT.

†Within the Q Income (Gross) share class no registration fee has been deducted and this has been borne by the ACD.

The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £11,250 (31/10/20: £11,023).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	6	3
Double tax relief	(3)	(1)
Irrecoverable overseas tax	3	3
Total current tax	6	5
Deferred taxation	-	(1)
Total deferred tax (note 5c)	1	-
Total taxation (note 5b)	7	4

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	570	1,065
Corporation tax of 20% (2020: 20%)	114	214
<b>Effects of:</b>		
Non-taxable UK dividends*	(8)	(28)
Overseas non-taxable revenue*	1	(8)
Taxable income taken to capital	7	2
Irrecoverable overseas tax	3	3
Tax deductible interest distributions	(107)	(178)
Double tax relief	(3)	(1)
Total tax charge for year (note 5a)	7	4

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

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

**(c) Deferred taxation:**

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

	01/11/20 to 31/10/21 £000	31/10/20 to 31/10/20 £000
Provision at the start of the year	-	1
Deferred tax charge in profit and loss account for the year (note 5a)	1	(1)
Provision at the end of the year	1	-
Provision consists of:		
Revenue taxable in different periods	1	-

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

for the year ended 31st October 2021

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
First interim	204	290
Second interim	103	285
Third interim	120	201
Final	116	280
	<hr/> 543	<hr/> 1,056
Add: Revenue deducted on cancellation of shares	50	30
Deduct: Revenue received on creation of shares	(23)	(23)
Net distributions for the year	<hr/> 570	<hr/> 1,063

*Details of the distributions per share are set out in the Distribution Tables on page 225.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	563	1,061
Tax charge on rebates taken to capital	7	2
Net distributions for the year	<hr/> 570	<hr/> 1,063

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	127	-
Accrued revenue	111	84
Income tax receivable	2	9
Expense capping adjustment receivable	1	2
Total debtors	<hr/> 241	<hr/> 95

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	40	20
Amounts held at futures clearing houses and brokers	48	94
Total cash and bank balances	<hr/> 88	<hr/> 114

**10. Provision for liabilities**

	31/10/21 £000	31/10/20 £000
Deferred taxation	1	-

**11. Other creditors**

	31/10/21 £000	31/10/20 £000
Amounts payable for cancellation of shares	177	127
Accrued expenses	26	34
Corporation tax payable	4	2

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

for the year ended 31st October 2021

**11. Other creditors (continued)**

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>£000</b>	<b>£000</b>
Total other creditors	207	163

**12. Related party transactions**

Scottish Widows Schroder Personal Wealth (ACD) Limited ("the ACD"), as the authorised corporate director of the company, is a related party and is regarded as a controlling party by virtue of having the ability to act in respect of the operations of the company. Scottish Widows Schroder Wealth Holdings Limited ("SPW HoldCo"), as the parent company of the ACD is the ultimate controlling party of the company. As such any member company of SPW HoldCo, is also a related party. The current members of SPW HoldCo are LBG Equity Investments Limited and Schroder Administration Limited. Scottish Widows Schroder Personal Wealth Limited act as principal on all the transactions of shares in the sub-fund. The aggregate monies received through sales and repurchases of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders. Amounts due to/from Scottish Widows Schroder Personal Wealth Limited in respect of share transactions at the year end are included in the Balance Sheet.

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £36,767 (31/10/20: £8,652).

Amounts paid to Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in notes 2 and 4, with £1,050 (31/10/20: £7,110) due at the year end.

Amounts paid by Scottish Widows Schroder Personal Wealth Limited in respect of the Expense capping adjustments are disclosed in note 4 with £1,441 (31/10/20: £2,361) 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 39,745,576 shares (31/10/20: 15,791,267 shares) with a cost of £40,750,389 (31/10/20: £16,661,318) and sales of 29,799,022 shares (31/10/20: 13,707,386 shares) with sales proceeds of £31,127,550 (31/10/20: £13,925,250).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 14,819,584 shares (31/10/20: 3,996,282 shares) and value of £15,167,299 (31/10/20: £4,647,262) 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 £315,207 (31/10/20: £158,172).

*Shares held by associates of the ACD*

On 31st October, shares held as a percentage of the sub-fund's value were:

	<b>31/10/21</b>	<b>31/10/20</b>
	<b>%</b>	<b>%</b>
ACD and associates of the ACD	3.97	1.99

*Material Shareholders*

Boltro Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 9.45%).

Perry Nominees Limited held 0.00% of the sub-fund at 31st October 2021 (31/10/20: 8.56%).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**13. Share classes**

The sub-fund has two share classes in issue (31/10/2020: two).

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

	31/10/21 %
Share Class Q - Income (Gross):	0.20
Share Class X - Income (Gross):	-

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 211 to 214.

The distributions per share class are given in the Distribution Tables on page 225.

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

	01/11/20 Opening shares in issue	Creations	Cancellations	31/10/21 Closing shares in issue
Share Class Q - Income (Gross)	29,659,943	4,082,640	(17,291,682)	16,450,901
Share Class X - Income (Gross)	621,723	185,333	(106,429)	700,627

There are no conversions in the year to report.

**14. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £nil).

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

A statement of the sub-fund's objective and the policy for achieving it has been included on page 206. The risks inherent in the sub-fund's investment portfolio are as follows:

**(a) Currency risk**

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

As at 31st October 2021, 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 £2,082 (31/10/20: £nil).

The sub-fund's net foreign currency exposure for the sub-fund is not deemed to be significant and on that basis no sensitivity analysis is presented.

Currency	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
Australian dollar	1	-
Euro	2	42
Japanese yen	4	(7)
US dollar	201	96
Total	208	131

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

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

The Fund receives revenue from holdings in regulated collective investment schemes. The cash flow from the Fund's investments may fluctuate

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

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 Fund's net cash holding of £39,705 (31/10/20: holding £20,457) 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 £47,971 (31/10/20: cash £82,415), whose rates are based on SONIA or its international equivalent.

The Fund did not have any long term financial liabilities.

**(c) Derivatives and other financial instruments**

During the year, the ACD entered into derivative contracts on behalf of the sub-fund for the purpose of efficient portfolio management (EPM). EPM requires that the purpose of the derivative contract must be to achieve; a reduction of the risk, or a reduction of cost, or the generation of additional capital, or revenue for the Fund with an acceptably low level of risk. The ACD monitors the use of derivative contracts to ensure that the requirements of EPM are satisfied. All derivative contracts were traded on an eligible derivatives exchange.

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

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

<b>Financial derivative instrument exposure - fair value</b>	<b>31/10/21 £000</b>	<b>31/10/20 £000</b>
Exchange traded derivatives	24	49
Forward currency contracts	-	6
<b>Total Financial derivative instrument exposure</b>	<b>24</b>	<b>55</b>

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

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

	<b>31/10/21 £000</b>	<b>31/10/20 £000</b>
BNP Paribas - Forward currency contracts	-	6
HSBC Bank - Forward currency contracts	-	(3)
Merrill Lynch - Futures contracts	19	24
<b>Total counterparty exposure</b>	<b>19</b>	<b>27</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>31/10/21 £000</b>	<b>31/10/20 £000</b>
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	40	83
AUD Cash - Merrill Lynch	1	-
JPY Cash - Merrill Lynch	5	10
USD Cash - Merrill Lynch	2	(11)

**(e) Liquidity risk**

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

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



## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

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

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

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

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

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

As at 31st October 2021, 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 £190,397 (31/10/20: £322,531).

*(g) Leverage*

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

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

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

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

	31/10/21 %	31/10/20 %
Gross leverage	105.64	106.62
Commitment leverage	12.78	6.59

*(h) Credit risk*

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

**16. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Collective Investment Schemes	48,684	26,476	63,066	28,524
<b>Commissions</b>				
Collective Investment Schemes~	-	-	0	-
Futures	1	1	(1)	(1)
Total commissions	1	1	(1)	(1)
<b>Taxes</b>				
Collective Investment Schemes~	0	17	-	-

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**16. Portfolio transaction costs (continued)**

	<b>Purchases</b>		<b>Sales</b>	
	<b>01/11/20 to 31/10/21 £000</b>	<b>01/11/19 to 31/10/20 £000</b>	<b>01/11/20 to 31/10/21 £000</b>	<b>01/11/19 to 31/10/20 £000</b>
Total costs	1	18	(1)	(1)
<b>Total net trades in the year after transaction costs</b>	<b>48,685</b>	<b>26,494</b>	<b>63,065</b>	<b>28,523</b>

~The value of transaction costs is below £500 and is therefore rounded down to £0.

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

	<b>Purchases</b>		<b>Sales</b>	
	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>
<b>Commissions</b>				
Collective Investment Schemes	-	-	0.00	-
<b>Taxes</b>				
Collective Investment Schemes	0.00	0.06	-	-

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

	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>
Commissions	0.00	0.00
Taxes	0.00	0.05
Total costs	0.00	0.05

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, or the associated broker commissions and transfer taxes, is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread. Transaction costs disclosed on collective investment schemes relate to exchange traded funds. Exchange traded funds are included within collective investment schemes. Broker commissions and transfer taxes may be paid on these transactions.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.00% (31/10/20: 0.01%).

**17. Fair value**

	<b>31/10/21</b>		<b>31/10/20</b>	
<b>Valuation technique</b>	<b>Assets £000</b>	<b>Liabilities £000</b>	<b>Assets £000</b>	<b>Liabilities £000</b>
Level 1	24	(5)	825	(25)
Level 2	19,021	-	31,456	(3)
Level 3	-	-	-	-
Total fair value	19,045	(5)	32,281	(28)

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

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

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

# SPW IPS Strategic Income Portfolio

## Distribution Tables

for the year ended 31st October 2021

### Distribution in pence per share

Group 1 First interim Shares purchased prior to 1st November 2020  
 Second interim Shares purchased prior to 1st February 2021  
 Third interim Shares purchased prior to 1st May 2021  
 Final Shares purchased prior to 1st August 2021

Group 2 First interim Shares purchased on or between 1st November 2020 and 31st January 2021  
 Second interim Shares purchased on or between 1st February 2021 and 30th April 2021  
 Third interim Shares purchased on or between 1st May 2021 and 31st July 2021  
 Final Shares purchased on or between 1st August 2021 and 31st October 2021

### Share Class Q - Income (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.7078	-	0.7078	0.9155
Second interim	0.4122	-	0.4122	0.8985
Third interim	0.6074	-	0.6074	0.6203
Final	0.6746	-	0.6746	0.9241
Group 2	(p)	(p)	(p)	(p)
First interim	0.0572	0.6506	0.7078	0.9155
Second interim	0.0901	0.3221	0.4122	0.8985
Third interim	0.3001	0.3073	0.6074	0.6203
Final	0.1823	0.4923	0.6746	0.9241

### Share Class X - Income (Gross)

	Gross revenue	Equalisation	Distributions paid/payable to 31/12/2021	Distributions paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
First interim	0.7166	-	0.7166	0.9202
Second interim	0.4261	-	0.4261	0.9012
Third interim	0.6298	-	0.6298	0.6310
Final	0.6763	-	0.6763	0.9259
Group 2	(p)	(p)	(p)	(p)
First interim	0.0013	0.7153	0.7166	0.9202
Second interim	0.1818	0.2443	0.4261	0.9012
Third interim	0.2068	0.4230	0.6298	0.6310
Final	0.6763	-	0.6763	0.9259

Investment Markets Overview

for the year ended 31st October 2021

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 28.4% MSCI North America (Net Total Return) index, 6.2% MSCI Europe ex UK (Net Total Return) index, 3.2% MSCI Japan (Net Total Return) index, 3.6% MSCI AC Asia ex Japan (Net Total Return) index, 3.6% MSCI Emerging Markets (Net Total Return) index, 20% MSCI UK IMI (Gross Total Return) index, 3% Bloomberg Barclays Global Treasury Value GBP Hedged index, 13% Bloomberg Barclays Global Aggregate Corporate Value GBP Hedged index, 1.5% Bloomberg Barclays Global High Yield Corporate Value GBP Hedged index, 1.5% Bloomberg Barclays 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 indirectly through collective investment schemes, exchange traded funds, real estate investment trusts, or closed ended funds in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. The Fund may also invest in funds that use absolute return strategies or other alternative investment strategies including funds that invest in real estate, commodities, private equity and currencies.

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

The Fund will invest within the following ranges:

Equity and equity related securities: 30% – 80%

Fixed and floating rate securities: 0% – 40%

Alternative assets: 0% – 30%

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

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

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may also invest directly or indirectly in money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and for managing the Fund more efficiently (often referred to as 'efficient portfolio management').

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

<https://www.spw.com/fund-info>

Synthetic Risk and Reward Indicator

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

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 28th September 2021.	Typically lower rewards, lower risks							
	Typically higher rewards, higher risks							
	←	1	2	3	4	5	6	7

**Investment Markets Overview**

(continued)

for the year ended 31st October 2021

**Investment Review**

<b>Performance</b>	<b>01/11/20 to 31/10/21 %</b>	<b>01/11/19 to 31/10/20 %</b>	<b>16/09/19 to 31/10/19 %</b>
SPW Strategic Solution A Accumulation	23.64	(9.96)	n/a

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

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

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 23.6% in the 12 months to 31 October 2021.

Global equities achieved a positive performance in the 12-month period. This was initially sparked by the vast fiscal and monetary support measures by governments and central banks in response to the Covid-19 pandemic. However, the news towards the end of 2020 that several vaccines had proven highly effective against Covid-19 led global equity markets to rally, with US shares surging and the MSCI Asia ex Japan index recording its highest return in more four years.

Global equities continued to perform well at the start of 2021, supported by the successful roll-out of Covid-19 vaccines and news of further US fiscal stimulus. The second quarter was particularly strong for US equities, with the S&P 500 reaching a new all-time high in June. Global equities were flat in the third quarter of the year with emerging market shares underperforming amid a sell-off in China. Global stock markets gained in October, supported by encouraging corporate earnings and an easing of fears around China's property sector.

Government bond yields rose sharply in the first quarter of 2021 due to building inflationary pressures as the reopening of economies and a surge in demand caused supply chain bottlenecks. Central bank rhetoric became more hawkish towards the end of the period and markets started to reflect the possibility of interest rate hikes. Global investment corporate bonds produced positive total returns (local currency) of 1.5%, due to income, and outperformed government bonds.

Over the year, the US 10-year yield increased from 0.87% to 1.56%, rising about 80 basis points (bps) in Q1, reaching a high of 1.78%. The UK 10-year yield rose from 0.26% to 1.03%. This reflected a fast-improving economic outlook, with the UK particularly successful with procurement and roll out of Covid-19 vaccines. European yields saw a less pronounced move higher in Q1.

The UK property market has been significantly impacted by the Covid-19 pandemic. Town centre retail faces serious challenges, and the number of empty units is likely to increase over the next few years as banks, bookmakers, fashion retailers and travel agents move more of their business online.

Schroder Investment Management Limited  
November 2021

**Portfolio Statement**

as at 31st October 2021

	Holdings	Market Value £000	Total Net Assets %
<b>FINANCIALS (109.03%, 31/10/20 99.55%)</b>			
<b>Collective Investment Schemes</b>			
Goldman Sachs Structured Investments GSQuartix Modified Strategy Bloomberg Commodity	104,661	1,190	1.52
iShares North America Index Fund S Acc GBP	150,516	1,560	1.99
iShares UK Equity Index Fund D Acc	934,520	2,361	3.01
Nordea 1 Diversified Return Fund BD GBP Acc	11,879	1,544	1.97
Schroder Multi-Asset Total Return X GBP (Hedged) Acct ∅	13,843	1,571	2.01
Schroder Sterling Liquidity Fund X Inc†∅	13,318,686	13,319	17.00
Schroders Personal Wealth Multi-Manager	5,781,287	5,632	7.19
Asia ex Japan & Global Emerging Markets Equity X GBP Acct†			
Schroders Personal Wealth Multi-Manager European ex UK Equity Fund X GBP Acct†	4,045,896	4,175	5.33
Schroders Personal Wealth Multi-Manager	2,336,641	2,353	3.00
Global High Income & Emerging Markets Fund Q Acct†			
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct†	9,147,322	9,239	11.79
Schroders Personal Wealth Multi-Manager Global Real Estate Securities Fund A Acct†	1,384,629	3,939	5.03
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct†	1,592,909	1,586	2.02
Schroders Personal Wealth Multi-Manager Japanese Equity Fund X GBP Acct†	2,461,702	2,508	3.20
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct†	18,541,532	19,654	25.08
Schroders Personal Wealth Multi-Manager UK Equity Fund A Acct†	4,866,815	12,605	16.09
State Street Global Treasury Bond Index Fund I GBP (Hedged) Acc	75,090	784	1.00
Vanguard Global Corporate Bond Index Fund GBP (Hedged) Acc	2,077	237	0.30
		84,257	107.53
<b>Exchange Traded Funds</b>			
Lyxor Commodities Refinitiv/CoreCommodity CRB TR UCITS Acc	72,483	1,177	1.50
		1,177	1.50
<b>TOTAL FINANCIALS</b>		<b>85,434</b>	<b>109.03</b>
<b>DERIVATIVES (0.17%, 31/10/20 -0.13%)</b>			
<b>Forward Currency Contracts</b>			
Bought CAD416,000 for GBP244,530 Settlement 24/11/2021~		0	0.00
Bought CHF290,000 for GBP228,519 Settlement 24/11/2021		2	0.00
Bought JPY91,083,000 for GBP579,176 Settlement 24/11/2021		3	0.00
Bought USD11,800,000 for GBP8,550,972 Settlement 24/11/2021		12	0.02
Sold EUR2,572,000 for GBP2,172,774 Settlement 24/11/2021		(5)	(0.01)
		12	0.01

**Portfolio Statement**

(continued)

as at 31st October 2021

	<b>Holdings</b>	<b>Market Value £000</b>	<b>Total Net Assets %</b>
<b>Futures Contracts</b>			
DAX Index Futures December 2021	(5)	(21)	(0.03)
E Mini Russell 2000 Index Futures December 2021	19	41	0.05
Euro BUXL 30 Year Bund Futures December 2021	(2)	3	0.00
EURO STOXX 50 Index Futures December 2021	32	28	0.04
FTSE 100 Index Futures December 2021	33	40	0.05
MSCI Emerging Markets Index Futures December 2021	17	(7)	(0.01)
S&P 500 E Mini Index Futures December 2021	2	21	0.03
US Treasury Note 10 Year Ultra Bond Futures December 2021	(12)	20	0.03
		125	0.16
<b>TOTAL DERIVATIVES</b>		<b>137</b>	<b>0.17</b>
<b>Portfolio of investments<sup>^</sup></b>		<b>85,571</b>	<b>109.20</b>
<b>Net other liabilities</b>		<b>(7,211)</b>	<b>(9.20)</b>
<b>Total net assets</b>		<b>78,360</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.

Derivatives can be exchange traded or Over the Counter (OTC) contracts.

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

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

<sup>‡</sup>Cash equivalents.

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

## Material Portfolio Changes

for the year ended 31st October 2021

	Cost £000		Proceeds £000
<b>Major purchases</b>		<b>Major sales</b>	
Schroders Personal Wealth Multi-Manager International Equity Fund X Acct	25,845	Schroders Personal Wealth Multi-Manager International Equity Fund A Acct	26,921
Schroder Sterling Liquidity Fund X Inc†‡	24,261	Schroder Sterling Liquidity Fund X Inc†‡	14,606
Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	10,313	Schroders Personal Wealth Multi-Manager UK Equity Focus Fund A Acct	11,548
Schroders Personal Wealth Multi-Manager North American Equity Fund X GBP Acct	2,614	Aberdeen UK Property Feeder Unit Trust A Acc	7,289
iShares UK Equity Index Fund D Acc	2,373	PIMCO Global High Yield Bond Fund Institutional GBP (Hedged) Inc	5,966
Schroders Personal Wealth Multi-Manager Global High Income & Emerging Markets Fund Q Acct	2,336	Threadneedle Lux Enhanced Commodities Portfolio IU USD Acc	1,946
Schroders Personal Wealth Multi-Manager Global Sovereign Bond Fund Q Acct	1,861	PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	1,739
PIMCO Global Investment Grade Credit Fund Institutional GBP (Hedged) Inc	1,773	iShares Core GBP Corporate Bond UCITS#	1,489
Schroders Personal Wealth Multi-Manager Asia ex Japan & Global Emerging Markets Equity X GBP Acct	1,741	Schroder Multi-Asset Total Return X GBP (Hedged) Acct‡	1,414
iShares North America Index Fund S Acc GBP	1,572	Schroders Personal Wealth Multi-Manager Global Investment Grade Bond Fund Q Acct	1,137

The above 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 11).

‡Cash equivalents.

‡Asset managed by the Investment Adviser.

#Exchange traded fund.



**Comparative Table**

as at 31st October 2021

	31/10/21 (p)	31/10/20 (p)	31/10/19 (p)
<b>Share Class A - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	170.92	189.76	190.90
Return before operating charges*	43.28	(15.63)	(0.67)
Operating charges	(2.88)	(3.21)	(0.47)
Return after operating charges*	40.40	(18.84)	(1.14)
Distributions	(0.83)	(2.04)	(0.96)
Retained distributions on accumulation shares	0.83	2.04	0.96
Closing net asset value per share	211.32	170.92	189.76
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges^	23.64%	(9.93)%	(0.60)%
<b>Other information</b>			
Closing net asset value (£000)	34,868	29,325	34,455
Closing number of shares	16,500,332	17,157,741	18,157,500
Operating charges#	1.45%	1.80%	1.88%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	212.80	196.30	191.50
Lowest share price	170.60	149.10	186.70

#Operating charges are representative of the ongoing charges figure.

^The return after charges figure is calculated as the return after operating charges per share divided by the opening net asset value per share. The net asset value figures include any accounting adjustments and as such, the return after charges is different to the performance return stated in the Investment Market Review on page 227 which is sourced from Lipper and based on daily published prices.

\*\*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 A Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/21 (p)</b>	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class G - Accumulation</b>			
<b>Change in net assets per share</b>			
Opening net asset value per share	140.11	155.09	155.94
Return before operating charges*	35.48	(12.91)	(0.57)
Operating charges	(2.36)	(2.07)	(0.28)
Return after operating charges*	33.12	(14.98)	(0.85)
Distributions	(0.68)	(2.11)	(0.87)
Retained distributions on accumulation shares	0.68	2.11	0.87
Closing net asset value per share	173.23	140.11	155.09
*after direct transaction cost of:	0.01	0.00	0.00
<b>Performance</b>			
Return after charges	23.64%	(9.66)%	(0.55)%
<b>Other information</b>			
Closing net asset value (£000)	43,492	38,417	45,845
Closing number of shares	25,107,006	27,418,987	29,560,200
Operating charges#	1.45%	1.42%	1.38%
Direct transaction costs	0.01%	0.00%	0.00%
<b>Prices**</b>			
Highest share price	174.40	160.60	156.40
Lowest share price	139.80	122.10	152.60

#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.

Share Class G Accumulation was launched on 16th September 2019.

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

as at 31st October 2021

	<b>31/10/20 (p)</b>	<b>31/10/19 (p)</b>
<b>Share Class X - Accumulation</b>		
<b>Change in net assets per share</b>		
Opening net asset value per share	228.43	229.41
Return before operating charges*	(33.11)	(0.91)
Operating charges	(0.25)	(0.07)
Return after operating charges*	(33.36)	(0.98)
Distributions	-	(1.55)
Retained distributions on accumulation shares	-	1.55
Return to shareholder as a result of class closure	(195.07)	-
Closing net asset value per share	-	228.43
*after direct transaction cost of:	0.00	0.00
<b>Performance</b>		
Return after charges	(14.60)%	(0.43)%
<b>Other information</b>		
Closing net asset value (£000)	-	91,847
Closing number of shares	-	40,208,200
Operating charges#	0.24%	0.23%
Direct transaction costs	0.00%	0.00%
<b>Prices**</b>		
Highest share price	237.00	230.20
Lowest share price	180.50	224.60

#Operating charges are representative of the ongoing charges figure.

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

Share Class X Accumulation was launched on 16th September 2019 and closed on 24th April 2020.

Prices for Share Class X Accumulation are not published externally, as this is an internal share class.

## Statement of Total Return

for the year ended 31st October 2021

	Notes	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Income			
Net capital gains/(losses)	2	15,424	(22,556)
Revenue	3	882	2,588
Expenses	4	(549)	(289)
Interest payable and similar charges		(12)	(3)
Net revenue before taxation		321	2,296
Taxation	5	(9)	(279)
Net revenue after taxation		312	2,017
<b>Total return before distributions</b>		<b>15,736</b>	<b>(20,539)</b>
Distributions	6	(312)	(2,053)
<b>Change in net assets attributable to shareholders from investment activities</b>		<b>15,424</b>	<b>(22,592)</b>

## Statement of Change in Net Assets Attributable to Shareholders

for the year ended 31st October 2021

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Opening net assets attributable to shareholders</b>	<b>67,742</b>	<b>172,147</b>
Amounts receivable on creation of shares	1,151	1,961
Less: Amounts payable on cancellation of shares	(6,263)	(84,703)
	(5,112)	(82,742)
Change in net assets attributable to shareholders from investment activities	15,424	(22,592)
Retained distributions on accumulation shares	306	929
<b>Closing net assets attributable to shareholders</b>	<b>78,360</b>	<b>67,742</b>

Notes to the Financial Statements are on pages 236 to 243.

**Balance Sheet**

as at 31st October 2021

	Notes	31/10/21 £000	31/10/20 £000
<b>Assets</b>			
<b>Fixed assets</b>			
Investments (excluding cash equivalents)‡		72,286	63,831
<b>Current assets</b>			
Debtors	8	2,710	106
Cash and bank balances	9	601	549
Cash equivalents‡		13,318	3,664
<b>Total assets</b>		<b>88,915</b>	<b>68,150</b>
<b>Liabilities</b>			
Investment liabilities		(33)	(144)
<b>Creditors</b>			
Bank overdrafts		-	(45)
Other creditors	10	(10,522)	(219)
<b>Total liabilities</b>		<b>(10,555)</b>	<b>(408)</b>
<b>Net assets attributable to shareholders</b>		<b>78,360</b>	<b>67,742</b>

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

Notes to the Financial Statements are on pages 236 to 243.

## Notes to the Financial Statements

for the year ended 31st October 2021

### 1. Accounting basis and distribution policies

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

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

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Non-derivative securities	12,610	(23,248)
Futures contracts	2,882	345
Forward currency contracts	(174)	141
ACD's periodic charge rebates taken to capital	65	178
Fund of funds rebates taken to capital	3	3
Currency gains	50	1
Transaction charges	(12)	(8)
Compensation~	-	32
Net capital gains/(losses)*	15,424	(22,556)

~Prior year compensation received from Schroder Investment Management with regards to the trading error.

\*Includes realised gains of £6,708,000 and unrealised gains of £8,716,000 (31/10/20: realised losses of £18,567,000 and unrealised losses of £3,989,000). Included in realised gains for the year were unrealised gains/(losses) recognised in the prior accounting year.

### 3. Revenue

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Distributions from Regulated Collective Investment Schemes:		
Investment income	561	1,429
Interest distributions	139	185
Offshore distributions	152	714
Fund of funds rebates	30	260
Total revenue	882	2,588

### 4. Expenses

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
<b>Payable to the ACD, associates of the ACD, and agents of either of them:</b>		
ACD's periodic charge	546	274
<b>Payable to the Depositary, associates of the Depositary, and agents of either of them:</b>		
Depositary's fees	8	13
Safe custody fees	-	1
	8	14
<b>Other expenses:</b>		
Audit fee	10	10
Expense capping adjustment**	(15)	(9)
	(5)	1
Total expenses	549	289

Expenses include irrecoverable VAT.

\*\*Relating to the reimbursement of non-ACD expenses by the ACD in excess of 0.02% of the Net Asset Value. This is a related party transaction. The estimated Deloitte LLP (previously PricewaterhouseCoopers LLP) audit fee for the year, exclusive of VAT is £10,000 (31/10/20: £9,750).

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Corporation tax	-	261
Corporation tax prior year adjustment	-	18
Double tax relief	-	(10)
Irrecoverable overseas tax	9	10
Total current tax	9	279

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

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK for an Open-Ended Investment Company of 20% (2020: 20%). The differences are explained below:

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue before taxation	321	2,296
Corporation tax of 20% (2020: 20%)	64	459
<b>Effects of:</b>		
Non taxable UK dividends*	(91)	(204)
Overseas non-taxable revenue*	(2)	(12)
Non-taxable income taken to capital*	14	-
Taxable income taken to capital	-	36
Irrecoverable overseas tax	9	10
Overseas tax expensed	(2)	-
Corporation tax: adjustment in respect of prior years	-	18
Income taxed in prior year	-	(18)
Double tax relief	-	(10)
Movement in excess management expenses	17	-
Total tax charge for year (note 5a)	9	279

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

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

**(c) Deferred taxation:**

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

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

At the year end, after offset against revenue taxable on receipt, there is a potential deferred tax asset of £17,392 (31/10/20: £nil) relating to surplus management expenses. No deferred tax asset has been recognised in either year as it was considered unlikely the Fund would generate sufficient taxable profits in the future to utilise these amounts.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**6. Distributions**

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Final	306	929
Add: Revenue deducted on cancellation of shares	6	1,134
Deduct: Revenue received on creation of shares	-	(10)
Net distribution for the year	312	2,053

*Details of the distributions per share are set out in the Distribution Table on page 244.*

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

	01/11/20 to 31/10/21 £000	01/11/19 to 31/10/20 £000
Net revenue after taxation	312	2,017
Tax charge on rebates taken to capital	-	36
Net distribution for the year	312	2,053

**8. Debtors**

	31/10/21 £000	31/10/20 £000
Sales awaiting settlement	2,632	-
Amounts receivable for issue of shares	10	2
Accrued revenue	-	5
Fund of funds rebates receivable	3	26
Corporation tax recoverable	45	-
Income tax receivable	12	69
Expense capping adjustment receivable	7	3
Debtors from conversion	1	1
Total debtors	2,710	106

**9. Cash and bank balances**

	31/10/21 £000	31/10/20 £000
Cash and bank balances	89	85
Amounts held at futures clearing houses and brokers	512	464
Total cash and bank balances	601	549

**10. Other creditors**

	31/10/21 £000	31/10/20 £000
Purchases awaiting settlement	10,025	-
Amounts payable for cancellation of shares	433	56
Accrued expenses	64	44
Corporation tax payable	-	119
Total other creditors	10,522	219



**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**11. Related party transactions**

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

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

The ACD's periodic charge rebates taken to capital disclosed in note 2 are received from Scottish Widows Schroder Wealth Holdings Limited investments, which amount to £64,905 (31/10/20: £177,526).

Amounts paid to/from Scottish Widows Schroder Personal Wealth Limited in respect of ACD and registration fees are disclosed in note 2 and 4, with £41,856 (31/10/20: 26,152) due at the year end (inclusive of the expense reimbursement in note 8).

The sub-fund entered into related party transactions during the year involving investments in funds managed by either the ACD or one of its related parties. This included purchases of 49,865,484 shares (31/10/20: 38,634,473 shares) with a cost of £72,927,502 (31/10/20: £57,911,057) and sales of 27,450,400 shares (31/10/20: 48,551,619 shares) with sales proceeds of £57,138,718 (31/10/20: £80,452,619).

The sub-fund has related party holdings in funds managed by either the ACD or one of its related parties of 63,491,262 shares (31/10/20: 19,827,574 shares) and value of £76,581,493 (31/10/20: £48,414,143) 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 £705,478 (31/10/20: £676,829).

*Shares held by associates of the ACD*

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

**12. Share classes**

The sub-fund has two share classes in issue (31/10/2020: two).

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

	<b>31/10/21</b>
	<b>%</b>
Share Class A - Accumulation:	1.15
Share Class G - Accumulation:	1.15

The net asset value of each share class, the net asset value per share and the number of shares in each class are given in the Comparative Table (unaudited) on pages 231 to 233.

The distributions per share class are given in the Distribution Table on page 244.

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

	<b>01/11/20</b>			<b>31/10/21</b>
	<b>Opening shares</b>			<b>Closing shares</b>
	<b>in issue</b>	<b>Creations</b>	<b>Cancellations</b>	<b>in issue</b>
Share Class A - Accumulation	17,157,741	204,368	(861,777)	16,500,332
Share Class G - Accumulation	27,418,987	451,884	(2,763,865)	25,107,006

There are no conversions in the year to report.

**13. Capital commitments and contingent liabilities**

On 31st October 2021, the sub-fund had no capital commitments (31/10/20: £nil) and no contingent liabilities (31/10/20: £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 226. The risks inherent in the sub-fund's investment portfolio are as follows:

*(a) Currency risk*

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

## Notes to the Financial Statements

(continued)

for the year ended 31st October 2021

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

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

As at 31st October 2021, 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 an increase or decrease of approximately £89,792 (31/10/20: £43,164).

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

	Currency exposure 31/10/21 £000	Currency exposure 31/10/20 £000
<b>Currency</b>		
Australian dollar	2	-
Canadian dollar	244	(210)
Euro	(2,128)	(640)
Japanese yen	589	281
Swiss franc	231	1,117
US dollar	10,041	3,768
Total	8,979	4,316

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

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

The sub-fund's net cash holding of £89,442 (31/10/20: holding £84,637) is held in a floating rate bank account whose interest rates are based on SONIA or its international equivalent.

The sub-fund holds net cash at futures brokers of £511,888 (31/10/20: cash £419,072), whose rates are based on SONIA or its international equivalent.

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

*(c) Derivatives and other financial instruments*

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

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

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

Financial derivative instrument exposure - fair value	31/10/21 £000	31/10/20 £000
Exchange traded derivatives	153	46
Forward currency contracts	17	13
Total Financial derivative instrument exposure	170	59

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.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

**14. Risk management policies, derivatives and other financial instruments (continued)****Counterparties to financial derivative instruments and efficient portfolio management techniques**

	31/10/21 £000	31/10/20 £000
BNP Paribas - Forward currency contracts	-	(291)
HSBC Bank - Forward currency contracts	-	7,227
Lloyds Bank - Forward currency contracts	-	2,461
Morgan Stanley - Forward currency contracts	7	2,498
Royal Bank of Canada - Forward currency contracts	-	800
UBS - Forward currency contracts	-	(1,003)
Goldman Sachs - Forward currency contracts	2	-
Bank of America - Forward currency contracts	3	-
Merrill Lynch - Futures contracts	125	(97)
Total counterparty exposure	<b>137</b>	<b>11,595</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>	31/10/21 £000	31/10/20 £000
Broker cash balances to reduce/(increase) counterparty exposure:		
GBP Cash - Merrill Lynch	359	449
AUD Cash - Merrill Lynch	2	-
EUR Cash - Merrill Lynch	31	15
JPY Cash - Merrill Lynch	18	(1)
USD Cash - Merrill Lynch	101	(44)

**(d) Liquidity risk**

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

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

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

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

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

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

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

As at 31st October 2021, 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 £855,711 (31/10/20: £673,510).

**(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.

**Notes to the Financial Statements**

(continued)

for the year ended 31st October 2021

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

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

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

	31/10/21	31/10/20
	%	%
Gross leverage	126.02	-
Commitment leverage	29.21	-

**(g) Credit risk**

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

**15. Portfolio transaction costs**

Analysis of total trade costs.

	Purchases		Sales	
	01/11/20 to 31/10/21	01/11/19 to 31/10/20	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	£000	£000	£000	£000
Collective Investment Schemes	83,451	68,130	78,812	151,331
<b>Commissions</b>				
Futures	2	2	(2)	(2)
<b>Total net trades in the year after transaction costs</b>	<b>83,453</b>	<b>68,132</b>	<b>78,810</b>	<b>151,329</b>

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

	01/11/20 to 31/10/21	01/11/19 to 31/10/20
	%	%
Commissions	0.01	0.00

Direct transaction costs are expenses incurred when buying and selling financial investments. In the case of futures contracts, broker commissions and transfer taxes may be paid on each transaction. However, as futures contracts do not have relative purchases and sales amounts, the notional value of futures contracts is not shown in the analysis of total trade costs above. Other types of investments such as collective investment schemes have no separately identifiable transaction costs and these costs form part of the dealing spread.

**Average portfolio dealing spread**

The average portfolio dealing spread at the balance sheet date was 0.02% (31/10/20: 0.01%).

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

for the year ended 31st October 2021

**16. Fair value**

<b>Valuation technique</b>	<b>31/10/21</b>		<b>31/10/20</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Level 1	1,330	(28)	1,467	(143)
Level 2	84,274	(5)	66,028	(1)
Level 3	-	-	-	-
Total fair value	85,604	(33)	67,495	(144)

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 Table**

for the year ended 31st October 2021

**Distribution in pence per share**

Group 1 Final Shares purchased prior to 1st November 2020

Group 2 Final Shares purchased on or between 1st November 2020 and 31st October 2021

**Share Class A - Accumulation**

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.8254	-	0.8254	2.0398
Group 2	(p)	(p)	(p)	(p)
Final	0.6730	0.1524	0.8254	2.0398

**Share Class G - Accumulation**

	Net revenue	Equalisation	Distribution payable to 31/12/2021	Distribution paid to 31/12/2020
Group 1	(p)	(p)	(p)	(p)
Final	0.6761	-	0.6761	2.1127
Group 2	(p)	(p)	(p)	(p)
Final	0.6049	0.0712	0.6761	2.1127

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

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

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

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

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

## General Information

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### About OEICs

The SPW Investment Portfolio ICVC (the “Company”) is an umbrella Open Ended Investment Company (“OEIC”). An OEIC is a collective investment vehicle with variable capital in which your sub-funds are pooled with a portfolio of investments in accordance with its Prospectus and the Collective Investment Schemes Sourcebook (COLL Sourcebook).

Scottish Widows Schroder Personal Wealth is committed to being a responsible investor on behalf of our customers, with particular focus on Stewardship, Ethical investment and Environmental, Social and Governance (ESG) issues. Our commitment to responsible investment is explained in more detail through this link: [www.scottishwidows.co.uk/about\\_us/responsibleinvestment](http://www.scottishwidows.co.uk/about_us/responsibleinvestment)

It should be remembered that the value of your shares will be affected by fluctuations in the relevant markets and foreign currency exchange rates (where applicable) and may, therefore, go down as well as up. You should view your investment over the medium to long term.

Please contact us on 0344 822 8910 for more information. We may record and monitor calls to help us improve our service.

All sub-funds are classified as non-UCITS retail schemes which complies with Chapter 5 of the COLL Sourcebook.

The base currency of the Company is Sterling, but a class of shares in respect of any sub-fund may be designated in any currency other than Sterling.

### Shares

The Company currently offers five share classes; Class A, Class G, Class P, Class Q and Class X. Each share class has a different ACD fee.

### Prices and Dealing Times

The price used for either the purchase or sale of shares is normally the next price calculated after your instructions are received and accepted at our Edinburgh Office. Advisers have no authority to guarantee applications or prices.

The latest prices are obtainable from the Dealing Desk on 0344 822 8910.

Shares may be bought or sold between 9:00am and 5:30pm on Mondays to Fridays inclusive.

### 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 year to 31st October 2021 (as noted on pages 2 and 3). Full terms and conditions are available from the ACD.

### Personal Taxation

Unless your shares are held within an ISA, if you sell your shares or switch your shares to a different sub-fund, this is treated as a disposal for Capital Gains Tax purposes. Tax rules can change. The value to an investor of the tax advantages of an ISA will depend on personal circumstances, which may change.

Shareholders are recommended to consult with their professional tax advisers if they are in any doubt about their position.

### Queries

If you have any queries about the operation of your sub-fund you should in the first instance contact the ACD. Please supply details of your holding (including surname, initials and account number).



# Schroders

personalwealth

[spw.com](http://spw.com)

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