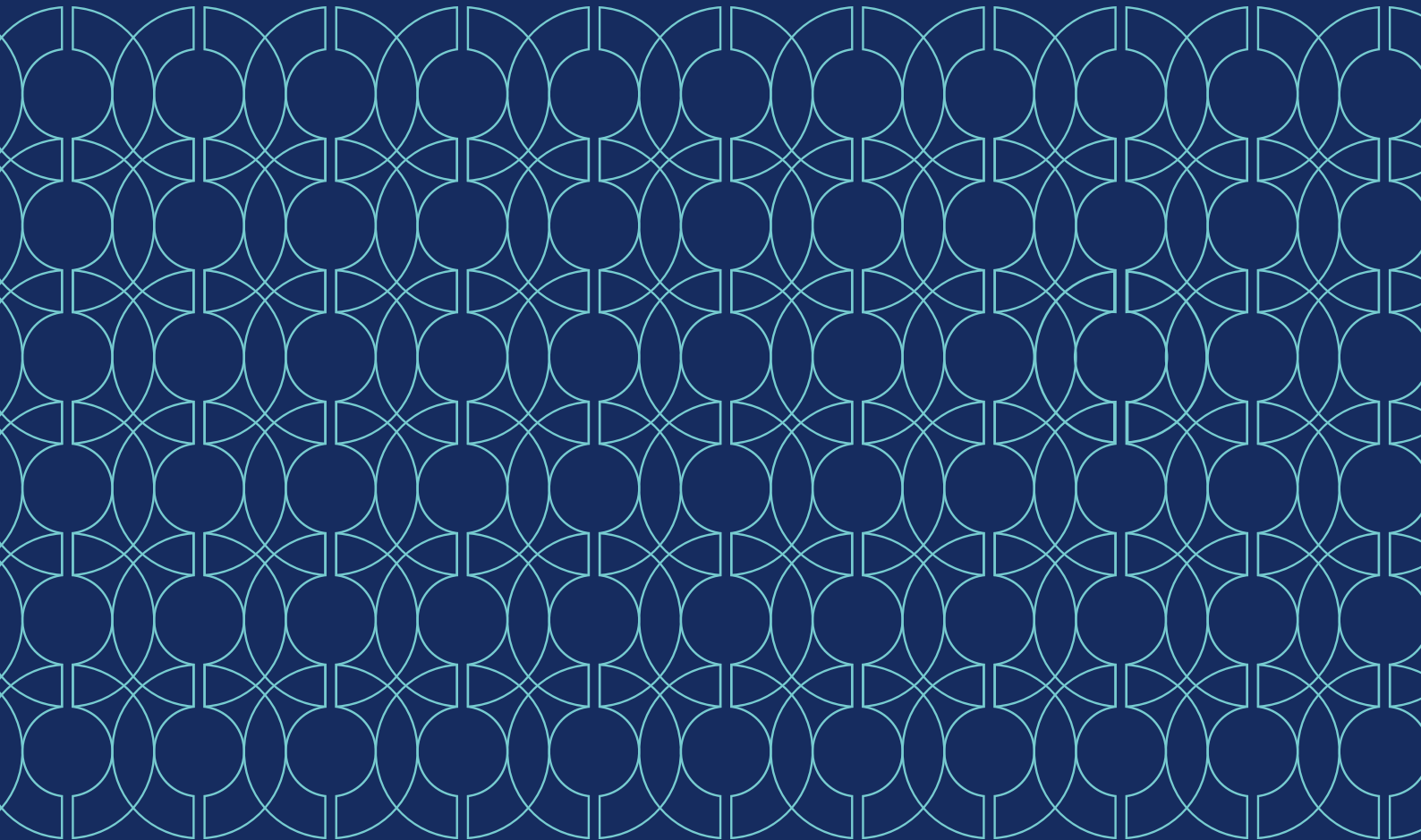


Schroders

Schroder Institutional Developing
Markets Fund

Annual Report and Accounts
30 September 2022



Institutional Developing Markets Fund

30 September 2022

Contents

Fund Information	3	Statement of Total Return	28
Investment objective and policy	3	Statement of Changes in Net Assets Attributable to Unitholders	28
Financial highlights	3	Balance Sheet	29
Fund information	3	Notes to the Accounts	30
Ongoing charges (excluding transaction costs)	3	1 Accounting policies	30
Total purchases and sales	3	2 Net capital (losses)/gains	31
Manager's Report	4	3 Revenue	31
Fund performance	4	4 Expenses	32
Overview	4	5 Taxation	33
Outlook	4	6 Finance costs: distribution and equalisation	33
Investment Adviser's Review	6	7 Debtors	33
Investment policy and asset allocation	6	8 Creditors	34
Current strategy	7	9 Contingent liabilities	34
Market review	7	10 Related party transactions	34
Statement of Manager's Responsibilities	9	11 Unit classes	34
Comparative Tables	10	12 Financial instruments and risk profile	34
Change in net assets per unit	10	13 Reconciliation of Reported Net Asset Value to Net Asset Value per Accounts	39
Performance	10	14 Portfolio transaction costs	40
Other information	10	15 Units in issue reconciliation	40
Prices	10	16 Significant events	40
Report of the Depositary to the Unitholders of Schroder Institutional Developing Markets Fund	11	17 Subsequent events	40
Independent Auditor's Report to the Unitholders of Schroder Institutional Developing Markets Fund	12	Distribution Table	41
Portfolio Statement	18	General Information	42
Significant Portfolio Movements	26		
Purchases	26		
Sales	27		

Fund Information

Investment objective and policy

Schroder Institutional Developing Markets Fund (the "Fund") aims to achieve long-term capital appreciation through investment in equity, equity-related and debt securities benefiting from the economic growth of emerging markets. For the purposes of the Fund, "emerging markets" are defined as those countries not in the Morgan Stanley Capital International ("MSCI") World Index.

Financial highlights*

Buying price	30.9.2022	30.9.2021	% change
A Units	US\$31.176	US\$46.007	-32.24%
B Units	US\$31.323	US\$46.013	-31.93%
Distribution per A unit	US\$0.8817	US\$0.7650	
Distribution per B unit	US\$0.3678	US\$0.0000	

* Investments valued at mid-market price.

Fund information

Launch date	14 March 2001	
Launch price	US\$10.50 per A & per B unit	
	Interim	Annual
Accounting dates	31 March (Unaudited)	30 September (Audited)
		Annual
Distribution payment date	18 November 2022	

Ongoing charges (excluding transaction costs)

	For the year ended 30.9.2022	For the year ended 30.9.2021
A Units	0.21%	0.23%
B Units	1.46%	1.47%

Total purchases and sales

	For the year ended 30.9.2022 \$'000s	For the year ended 30.9.2021 \$'000s
Total purchases	115,677	81,029
Total sales	82,756	80,556

Manager's Report

Fund performance

In the twelve months to 30 September 2022, the Fund's net asset value per unit (based on BID prices) decreased from US\$45.79 to US\$31.04 (A share class) and decreased from US\$45.79 to US\$31.19 (B share class). The Fund returned -31.1% (based on A Shares) after adjusting for distributions, compared to a return of -28.1% for the Morgan Stanley Capital International ("MSCI") Emerging Markets ("EM") Index.

Based on the above total return data, the portfolio finished in negative territory and underperformed the benchmark (-296bps). Country allocation (-36bps) and stock selection (-264bps) were both negative, leaving a residual of -4bps.

Russia detracted from relative performance over the period. Schroders has valued all Russian equity holdings at zero since 3 March 2022, and MSCI removed Russia from its indices on 9 March 2022. Prior to this, the Fund's portfolio of Russian equities had a last available value of US\$3.01 million.

Outside of this, the underweights to Saudi Arabia and India weighed the most on returns, with the overweights to Hungary and Korea also negative. The zero-weight to Kuwait and the underweight to Indonesia detracted too. By contrast, we benefited from the overweight to Brazil and cash held in a falling market.

Stock selection was negative, particularly in China (overweight Great Wall Motor and Xpeng). It also detracted in Brazil (off-benchmark Pagseguro Digital, underweight Petrobras) and Chile (zero-weight SQM, overweight Falabella and Banco Santander). Conversely, it contributed to returns in Korea (overweight Korea Zinc), India (overweight ICICI Bank) and UAE (overweight Emaar Properties).

Overview

Emerging markets fell over the twelve-month period against a global backdrop of slowing growth, heightened inflationary pressure and rising interest rates. The MSCI Emerging Markets Index returned -28.1% but underperformed the MSCI World which was down -19.6%.

Russian equities fell sharply in the run up to, and in the aftermath of the invasion of Ukraine on 24 February. Russia was removed from the MSCI Emerging Markets Index on 9 March. Hungary and Poland, which border Ukraine, were among the weakest index markets amid concern over the impact of the war on their domestic economies, and the risk of escalation of Russia's actions within the region. South Korea and Taiwan underperformed as the outlook for global growth and trade deteriorated.

China also lagged the index as COVID lockdowns in key cities were introduced, removed and then introduced again, hampering domestic demand. A crisis in the property sector also weighed on sentiment. Towards the end of the period, macroeconomic data began to improve, helped by the authorities' implementation of various economic support policies.

Indonesia was the best performing market, followed by energy exporters like Qatar, Kuwait, UAE and Saudi Arabia, all of which were helped by higher energy prices over the period. Brazil outperformed as political uncertainty eased ahead of October 2022's presidential election while Turkey was also a strong relative performer despite inflation that reached over 80%, not least as the central bank cut interest rates a number of times over the period.

Outlook

There is ongoing uncertainty over the global growth outlook for 2023, as the lagged impact of rate hikes comes through. The pace and scale of US dollar strength is another concern, and the combination of these factors poses downside risk to growth forecasts. The degree of dollar strength also raises the risk of further financial market stress. Disinflation should nonetheless begin to come through, opening the door for a deceleration in the pace of United States of America Federal Reserve ("Fed") policy tightening. Expectations for US rates now look reasonably elevated, and month-on-month ("m/m") headline inflation has abated. This should feedthrough to lower inflation prints in the coming months, even if the larger m/m rises do not fall out of the base comparison until next year. The dollar remains expensive relative to history on a real effective exchange rate basis. Any stabilisation or weakness would be beneficial for Emerging Markets ("EM"), in terms of easing pressure on EM currencies and financial conditions.

Manager's Report (continued)

Outlook (continued)

There is also potential for a recovery in economic growth in China into 2023, even if this is shallow. Policy is asynchronous compared to most of the rest of the world, and an end to the dynamic Zero-COVID policy ("ZCP") would be supportive. The authorities have launched additional stimulus measures, but transmission continues to be impeded by the ZCP. The National People's Congress takes place this month, with the main appointments scheduled to be unveiled in March 2023. Once this important political event has concluded, the government may show flexibility and begin to evolve the ZCP. This is likely to take time, given the arrival of winter, and as vaccination rates among the elderly are rising only gradually. Domestically produced mRNA vaccines continue to be developed, with one in late-stage clinical trials. While a pivot away from the dynamic ZCP would be market positive, exit waves could result in a turbulent period of normalisation.

EM valuations are broadly attractive versus history, with the exceptions of India and Saudi Arabia. On an aggregate basis, EM valuations are below the historical median, but not by a significant margin. Some cyclical areas screen as cheap but earnings are likely to be subject to further downgrades. Growth names may selectively be interesting, but in aggregate still look richly valued. EM yields and currencies in general are at attractive levels. EM external accounts are in reasonable shape, meaning EM is more resilient to US dollar strength than historically, but US dollar strength and the ongoing tightening in liquidity may remain headwinds in the near term.

There are various ongoing geopolitical risks to consider. The agreement reached at the end of August, which will allow US regulators access to the audits of Chinese companies listed on US stock exchanges was a positive development. However, since the strategy meeting, the US Department of Commerce has unveiled new export controls which prohibit US companies from exporting critical semiconductor manufacturing equipment to China. Among a range of other measures, 31 Chinese companies were included on a list of "unverified" companies. These could be added to the entity blacklist, which would ban US companies from supplying them with any technology. Recent escalation in Russia's invasion of Ukraine will have wider ramifications. In addition, the OPEC+ decision to cut production collectively by 2 million barrels per day, equivalent to 2% of global consumption, has already driven a rally in crude oil prices.

We maintain a cautious outlook but have re-deployed some cash. This has been led by attractive stock fundamentals as opposed to top-down views, and these moves incorporate a margin of safety. We continue to look for opportunities which present as a function of market stress. We are also monitoring for signs of a more meaningful deterioration in US macroeconomic data, notably labour market weakness or greater disinflation.

Schroder Investment Management (Guernsey) Limited
21 March 2023

Investment Adviser's Review

Investment policy and asset allocation

The allocation of the Fund's assets and the benchmark index at the end of September 2022 is shown below:

Region	Country	Schroder Institutional Developing Markets Fund %	MSCI EM Index %
Asia	China	30.0	31.3
	India	11.3	15.3
	Indonesia	1.3	2.2
	Korea	11.8	10.7
	Malaysia	0.6	1.5
	Philippines	-	0.7
	Singapore	0.3	-
	Taiwan	13.2	13.8
	Thailand	1.2	2.1
		69.7	77.6
Europe/Middle East/Africa (EMEA)	Czech Republic	-	0.1
	Egypt	0.2	0.1
	Greece	1.0	0.3
	Hungary	0.4	0.2
	Kuwait	-	0.9
	Poland	0.3	0.5
	Qatar	0.7	1.3
	Russia	-	-
	Saudi Arabia	2.3	4.8
	South Africa	4.9	3.5
	Turkey	0.5	0.4
	United Arab Emirates	1.4	1.4
		11.7	13.5

Investment Adviser's Review (continued)

Investment policy and asset allocation (continued)

Region	Country	Schroder Institutional Developing Markets Fund %	MSCI EM Index %
Latin America	Brazil	9.0	5.8
	Chile	0.9	0.6
	Colombia	–	0.1
	Mexico	2.5	2.2
	Peru	0.6	0.2
		13.0	8.9
		94.4	100.0
Funds	Luxembourg	1.3	–
Cash and other net current assets		4.3	–
Total		100.0	100.0

Current strategy

In emerging Asia, we are overweight Korea (Earnings risk as global economy slows. Weak cyclical outlook increasingly discounted). We are underweight China (Weak economy. Geopolitical tension. Increasing policy support. Zero-COVID policy), India (Expensive valuations. Reform progress. Policy tightening), Indonesia (Reform progress. Commodity price risk), Malaysia (Undervalued currency. Reasonable valuations. Political uncertainty), Philippines (External accounts under pressure. Central bank behind the curve), Taiwan (Near-term concerns about tech downcycle. Valuations reasonable) and Thailand (Tourism re-opening. Domestic economy sluggish. Political risk. Attractive stock opportunity).

In emerging Latin America, we are overweight Brazil (Attractive valuations. At end of hiking cycle. Political risk), Chile (Reasonable valuations. Ongoing uncertainty relating to Constitutional renewal), Mexico (Open economy. Policy concerns. Defensive market) and Peru (Political uncertainty. Cheap valuations. Strong stock opportunity. Commodity price risk). We are underweight Colombia (Large twin deficits. Lack of bottom-up opportunities. Political risk).

In EMEA, we are overweight Egypt (Attractive stock opportunity. GCC support and likely IMF programme. Tourism recovery), Greece (Strong longer term growth outlook. EU Recovery Fund to be supportive. Ongoing reform momentum. Energy price pressure), Hungary (Strong valuation support. Political concerns. Poor macro outlook and high inflation) and South Africa (Urgent need for structural reform. Reasonable valuations. Commodity price risk). We are neutral Poland (Weak macro outlook and high inflation Valuation depressed), Turkey (Cheap valuations. Poor policy. Potential political change) and UAE (Strong demand for real estate. Positive reforms and recovery in tourism). We are underweight Czech Republic (Reasonable valuations. EU Recovery Fund supportive. Illiquid. Weak macro outlook and high inflation. Energy supply risk), Kuwait (Political paralysis prevents structural reforms. Expensive valuations) Qatar (Valuations provide limited upside. Resilient economy. Gas price supportive). and Saudi Arabia (Expensive valuations. Societal change. Economic transformation programme).

As at the date of signing, this strategy remains unchanged.

Market review

Emerging markets fell over the twelve-month period against a global backdrop of slowing growth, heightened inflationary pressure and rising interest rates. The MSCI Emerging Markets Index returned -28.1% but underperformed the MSCI World which was down -19.6%.

Russian equities fell sharply in the run up to, and in the aftermath of the invasion of Ukraine on 24 February. Russia was removed from the MSCI Emerging Markets Index on 9 March. Hungary and Poland, which border Ukraine, were among the weakest index markets amid concern over the impact of the war on their domestic economies, and the risk of escalation of Russia's actions within the region. South Korea and Taiwan underperformed as the outlook for global growth and trade deteriorated.

Investment Adviser's Review (continued)

China also lagged the index as COVID lockdowns in key cities were introduced, removed and then introduced again, hampering domestic demand. A crisis in the property sector also weighed on sentiment. Towards the end of the period macroeconomic data began to improve, helped by the authorities' implementation of various economic support policies.

Indonesia was the best performing market, followed by energy exporters like Qatar, Kuwait, UAE and Saudi Arabia, all of which were helped by higher energy prices over the period. Brazil outperformed as political uncertainty eased ahead of October 2022's presidential election while Turkey was also a strong relative performer despite inflation that reached over 80%, not least as the central bank cut interest rates a number of times over the period.

Schroder Investment Management (Guernsey) Limited

21 March 2023

Statement of Manager's Responsibilities

The Manager is responsible for preparing accounts for each financial year which give a true and fair view, in accordance with applicable Guernsey law and United Kingdom Accounting Standards, including FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland," of the financial position of the Fund as at the end of the accounting year and of their revenue, net capital gains/losses and expenditure for the year. In preparing these accounts, the Manager is required to:

- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the accounts;
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Fund will continue in operation.

The Manager is required to keep proper accounting records and to manage the Fund in accordance with the Trust Deed, The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 and the Principal Documents.

The Manager confirms that it has complied with the above requirements in preparing the financial statements.

The Trustee is responsible for safeguarding the assets of the Fund and must take reasonable care to ensure that the Fund is managed by the Manager in compliance with the provisions of the Principal Documents and The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021. The Trustee is also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Manager is aware, there is no relevant audit information of which the Fund's auditor is unaware, and the Manager has taken all the steps that they ought to have taken as Manager in order to make themselves aware of any relevant audit information and to establish that the Fund's auditors are aware of that information.

Comparative Tables

For the year ended 30 September	A Units			B Units		
	2022 per unit	2021 per unit	2020 per unit	2022 per unit	2021 per unit	2020 per unit
Change in net assets per unit	US\$	US\$	US\$	US\$	US\$	US\$
Opening net asset value per unit	45.90	38.66	34.66	45.91	38.62	34.65
(Loss)/return before operating charges	(13.75)	7.84	4.77	(13.65)	8.18	4.89
Operating charges	(0.09)	(0.11)	(0.09)	(0.65)	(0.90)	(0.63)
(Loss)/return after operating charges*	(13.84)	7.73	4.68	(14.30)	7.28	4.26
Distributions	(0.97)	(0.49)	(0.68)	(0.37)	–	(0.29)
Closing net asset value per unit	31.09	45.90	38.66	31.24	45.91	38.62
Performance						
(Loss)/return after charges**	(30.14%)	19.99%	13.50%	(31.15%)	18.88%	12.29%
Other information						
Closing net asset value (US\$'000)	168,349	225,528	174,480	8,705	12,766	16,273
Closing number of units	5,414,186	4,914,789	4,511,894	278,619	278,165	421,273
Operating charges	0.21%	0.23%	0.21%	1.46%	1.47%	1.45%
Prices						
Highest unit price	46.75	52.35	39.75	47.53	52.71	39.72
Lowest unit price	30.92	38.05	26.31	31.07	38.49	26.45

Past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

* There are no direct transaction costs related to the purchase and sale of investments.

** (Loss)/return after charges is based on prices of units calculated to ten significant figures.

Report of the Depositary to the Unitholders of Schroder Institutional Developing Markets Fund

Northern Trust (Guernsey) Limited has been appointed as Depositary to Schroder Institutional Developing Markets Fund (the "Unit Trust") in accordance with the requirements of Article 36 and Articles 21(7), (8) and (9) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the "AIFM Directive").

We have enquired into the conduct of Schroder Unit Trusts Limited (the "AIFM") for the year ended 30 September 2022, in our capacity as Depositary to the Unit Trust.

This report including the review provided below has been prepared for and solely for the Unitholders. We do not, in giving this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Our obligations as Depositary are stipulated in the relevant provisions of the AIFM Directive and the relevant sections of Commission Delegated Regulation (EU) No 231/2013 (collectively the "AIFMD legislation") and The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.

Amongst these obligations is the requirement to enquire into the conduct of the AIFM and the Unit Trust in each annual accounting period.

Our report shall state whether, in our view, the Unit Trust has been managed in that period in accordance with the constitutional documents, the scheme particulars, The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021, and the AIFMD legislation. It is the overall responsibility of the AIFM and the Unit Trust to comply with these provisions. If the AIFM, the Unit Trust or their delegates have not so complied, we as the Depositary will state why this is the case and outline the steps which we have taken to rectify the situation.

Basis of Depositary Review

The Depositary conducts such reviews as it, in its reasonable discretion, considers necessary in order to comply with its obligations and to ensure that, in all material respects, the Unit Trust has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation, the scheme particulars and the appropriate regulations and (ii) otherwise in accordance with the constitutional documentation, the scheme particulars and the appropriate regulations. Such reviews vary based on the type of Fund, the assets in which a Fund invests and the processes used, or experts required, in order to value such assets.

Review

In our view, the Unit Trust has been managed during the year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Unit Trust by the constitutional documents; the Scheme Particulars; The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 and by the AIFMD legislation; and
- (ii) otherwise in accordance with the provisions of the principal documents; the Scheme Particulars; The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 and the AIFMD legislation.

**For and on behalf of
Northern Trust (Guernsey) Limited
21 March 2023**

Independent Auditor's Report to the Unitholders of Schroder Institutional Developing Markets Fund

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Schroder Institutional Developing Markets Fund (the "Fund") as at 30 September 2022, and of its financial performance for the year then ended in accordance with United Kingdom Accounting Standards, comprising FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and have been properly prepared in accordance with the provisions of the Trust Deed.

For the purpose of clarification, all references to 'financial statements' will also be deemed to be 'accounts' and vice-versa.

What we have audited

The Fund's financial statements comprise:

- the balance sheet as at 30 September 2022;
- the statement of total return for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended; and
- the notes to the accounts, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview



Independent Auditor's Report to the Unitholders of Schroder Institutional Developing Markets Fund (continued)

Audit scope

- We conducted our audit in the Channel Islands.
- The Fund is managed by Schroder Investment Management (Guernsey) Limited (the "Manager").
- The Fund's units are listed on The International Stock Exchange and the Fund is established in Guernsey.
- We have audited the financial statements of the Fund using its accounting records, prepared by Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") to whom the Manager has delegated the provision of certain administrative functions.
- We have tailored the scope of our audit taking into account the types of investments held by the Fund, the involvement of parties referred to above, the accounting processes and controls, and the industry in which the Fund operates.

Key audit matters

- Valuation of investment assets.

Materiality

- Overall materiality: US\$1.77 million (2021: US\$2.38 million) based on 1% of Net assets attributable to unitholders.
- Performance materiality: US\$1.32 million.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Manager made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent Auditor's Report to the Unitholders of Schroder Institutional Developing Markets Fund (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p>Valuation of investment assets</p> <p><i>Refer to the Portfolio Statement, Note 1 Accounting policies and Note 12 Financial instruments and risk profile</i></p> <p>The Fund's investment assets make up 96% of the Net assets attributable to unitholders (2021: 94%). The investment assets are held at fair value through profit or loss and are all Level 1 listed investments. The investments are held by an independent custodian and subject to financial risk management controls that mitigate the risk of material misstatement.</p> <p>Whilst the valuation of these investments is not considered complex, nor does it involve significant judgements and estimates to be made by the Manager, the fair value of investment assets is material to the Fund. A material misstatement due to fraud or error would be material to the financial statements as a whole.</p> <p>As a result, whilst we have not concluded it to be a significant audit risk, we consider the valuation of investment assets to be an area of focus in our audit and accordingly a key audit matter.</p>	<p>Our audit procedures over these investment assets were as follows:</p> <ul style="list-style-type: none"> • We understood and evaluated the valuation methodology applied by the Manager in accordance with the relevant accounting policy; • We obtained and reviewed the 'System and Organization Controls (SOC 1™) Report' ("Controls Report") for the Administrator to place reliance on the controls over the valuation process; • We obtained the Controls Report dated 18 November 2022, ensured it covered the whole accounting period and that there were no significant findings, exceptions or adverse changes to the control environment, control objectives, or the required Complementary User Entity Controls that would impact our audit approach; • We re-priced all of the investment assets excluding the Russian equities and depositary receipts, as at the balance sheet date, using independently obtained pricing information and re-calculated the carrying value of each of the listed investments by multiplying the price per share by the holding, taking account of any relevant foreign exchange rates; • For non-USD investments, we agreed the foreign currency exchange rate used at the year end to independent third party sources; • We discussed with the Investment Adviser and the Manager, their decision to value the Russian equities and depositary receipts at Nil value and assessed the appropriateness of disclosures within the financial statements around this; and • We agreed the holdings of each of the quoted investments to an independently obtained custodian confirmation from the third party custodian, JPMorgan Bank (Ireland) plc, as at 30 September 2022. <p>We have no matters that require communication to those charged with governance in respect of the procedures set out above.</p>

Independent Auditor's Report to the Unitholders of Schroder Institutional Developing Markets Fund (continued)

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<i>Overall Fund materiality</i>	US\$1.77 million (2021: US\$2.38 million)
<i>How we determined it</i>	1% of Net assets attributable to unitholders
<i>Rationale for the materiality benchmark</i>	We believe that Net assets attributable to unitholders is the most appropriate benchmark because this is the key metric of interest to unitholders. It is also a generally accepted measure used for companies in this industry.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to US\$1.32 million for the Fund financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Manager that we would report to them misstatements identified during our audit above US\$ 177,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Reporting on other information

The Manager is responsible for the other information. The other information comprises all the information included in the Annual Report and Accounts (the "Annual Report") but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation of the financial statements that give a true and fair view in accordance with United Kingdom Accounting Standards, comprising FRS 102, the requirements of Guernsey law and for such internal control as the Manager

Independent Auditor's Report to the Unitholders of Schroder Institutional Developing Markets Fund (continued)

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 Manager responsible for assessing the Funds ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Fund 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 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Independent Auditor's Report to the Unitholders of Schroder Institutional Developing Markets Fund (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of this report

This independent auditor's report, including the opinions, has been prepared for and only for the members as a body in accordance with paragraph 6.02 (1) of the Authorised Collective Investment Scheme (Class B) Rules 2021 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Ian Ross
For and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants
Guernsey, Channel Islands
24 March 2023

Notes:

- a) The maintenance and integrity of the website, on which the Annual Report and Accounts are presented, is the responsibility of Schroder Investment Management (Guernsey) Limited; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- b) Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Portfolio Statement

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
Asia			
China 29.99%			
(30.9.21 – 28.20%)			
AIA Group	453,200	3,779	2.13
Alibaba Group	408,568	4,055	2.29
Baidu ADR	3,649	428	0.24
Baidu – Class A	139,514	2,028	1.15
Centre Testing International Group	267,500	768	0.43
China Mengniu Dairy	521,000	2,067	1.17
China Pacific Insurance Group	533,200	982	0.55
China Resources Land	136,000	534	0.30
Contemporary Amperex Technology	9,100	512	0.29
ENN Energy Holdings	101,400	1,356	0.77
Hang Lung Properties	446,000	732	0.41
Huazhu Group	47,518	1,590	0.90
Innovent Biologics	208,000	648	0.37
JD.Com	127,622	3,227	1.82
JD.Com ADR	23,818	1,196	0.68
LONGi Green Energy Technology	360,640	2,437	1.38
Meituan	57,000	1,202	0.68
Midea Group	373,698	2,599	1.47
PICC Property and Casualty Company	1,714,000	1,775	1.00
Prudential	141,918	1,416	0.80
S.F. Holding	194,800	1,290	0.73
Shenzhen Inovance Technology	230,200	1,867	1.05
Shenzhou International Group	121,900	953	0.54
Tencent Holdings	238,700	8,101	4.58
Weichai Power Corporation	397,000	539	0.30
Wuliangye Yibin ETF	23,300	553	0.31
WuXi Biologics	220,500	1,331	0.75
Yum China Holdings	47,399	2,243	1.27
Zhejiang Satellite Petrochemical	414,164	1,242	0.70
Zhejiang Supor Cookware	86,600	563	0.32
ZTO Express (Cayman) ADR	44,658	1,074	0.61
		53,089	29.99

Portfolio Statement (continued)

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
India 11.25%			
(30.9.21 – 7.83%)			
Axis Bank	61,734	558	0.32
Bharti Airtel	235,918	2,319	1.31
Cipla	120,922	1,650	0.93
HDFC Bank	241,635	4,222	2.38
ICICI Bank	510,912	5,439	3.07
Mahindra & Mahindra	41,828	652	0.37
Reliance Industries	79,563	2,324	1.31
Tata Consultancy Services	74,402	2,751	1.56
		19,915	11.25
Indonesia 1.34%			
(30.9.21 – 0.86%)			
Bank Mandiri	2,394,300	1,478	0.83
Bank Raykat	3,049,318	899	0.51
		2,377	1.34
Korea 11.82%			
(30.9.21 – 13.95%)			
Kia Corporation	12,684	637	0.36
Korea Zinc	2,410	1,002	0.57
LG Chemical	5,021	1,881	1.06
LG Household & Health Care	1,233	546	0.31
LG Uplus	99,487	744	0.42
Naver	6,677	903	0.51
Samsung Electronics	239,610	8,876	5.01
Samsung Fire & Marine Insurance	7,000	900	0.51
Samsung SDI	5,568	2,121	1.20
SK Hynix	36,158	2,100	1.19
SK Innovation	3,942	395	0.21
SK Telecom	23,331	827	0.47
		20,932	11.82

Portfolio Statement (continued)

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
Malaysia 0.57%			
(30.9.21 – 0.34%)			
CIMB Group Holdings	907,705	1,004	0.57
		1,004	0.57
Singapore 0.31%			
(30.9.21 – 0.00%)			
Sea Limited ADR	9,793	549	0.31
		549	0.31
Taiwan 13.24%			
(30.9.21 – 14.74%)			
Accton Technology Corporation	127,000	1,090	0.62
ASE Technology	516,524	1,301	0.73
Cathay Financial Holdings	623,000	783	0.44
Chunghwa Telecom	306,000	1,099	0.62
CTBC Financial Holding	1,690,000	1,057	0.60
Foxconn Technology Group	905,000	2,893	1.63
Taiwan Semiconductor Manufacturing Company	1,070,043	14,223	8.03
Uni-President Enterprises Corporation	474,000	1,003	0.57
		23,449	13.24
Thailand 1.19%			
(30.9.21 – 0.80%)			
Kasikornbank	554,200	2,108	1.19
		2,108	1.19
Total Asia 69.71%			
(30.9.21 – 66.74%)			
		123,423	69.71

Portfolio Statement (continued)

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
Europe/Middle East/Africa			
Czech Republic 0.00%			
(30.9.21 – 0.44%)			
		-	-
Egypt 0.22%			
(30.9.21 – 0.26%)			
Commercial International Bank Egypt GDR	345,432	385	0.22
		385	0.22
Greece 0.97%			
(30.9.21 – 0.71%)			
Alpha Services and Holdings	289,912	229	0.13
Eurobank Ergasias Services and Holdings S.A.	593,253	497	0.28
Hellenic Telecommunications	44,685	650	0.37
National Bank of Greece	111,766	331	0.19
		1,707	0.97
Hungary 0.44%			
(30.9.21 – 1.48%)			
Gedeon Richter	45,596	781	0.44
		781	0.44
Luxembourg 1.29%			
(30.9.21 – 1.13%)			
Schroder International Selection Fund – Global Emerging Markets Smaller Companies*	14,078	2,277	1.29
		2,277	1.29
Poland 0.31%			
(30.9.21 – 0.77%)			
Powszechny Zakład Ubezpieczeń	118,198	555	0.31
		555	0.31

Portfolio Statement (continued)

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
Qatar 0.73%			
(30.9.21 – 0.00%)			
Qatar National Bank	238,006	1,293	0.73
		1,293	0.73
Russia 0.00%			
(30.9.21 – 7.12%)			
Magnit PJSC	13,862	–	–
Novatek	13,395	–	–
PJSC Lukoil Oil ADR	15,974	–	–
Polyus GDR	4,463	–	–
Rosneft Oil	203,582	–	–
Yandex	31,703	–	–
		–	–
Saudi Arabia 2.26%			
(30.9.21 – 0.00%)			
Alinma Bank	95,703	922.00	0.52
Saudi National Bank	183,539	3,078.00	1.74
		4,000	2.26
South Africa 4.91%			
(30.9.21 – 4.84%)			
Aspen Pharmacare	75,362	563	0.32
AVI	108,445	439	0.25
Bid Corporation	30,307	470	0.27
Capitec Bank Holdings	7,028	607	0.34
FirstRand	550,109	1,859	1.04
Foschini Group	60,887	397	0.22
Gold Fields	129,552	1,063	0.60
Impala Platinum Holdings	24,077	227	0.13
MTN Group	130,409	868	0.49
Naspers	8,113	1,022	0.58
Shoprite Holdings	97,813	1,181	0.67
		8,696	4.91

Portfolio Statement (continued)

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
Turkey 0.50%			
(30.9.21 – 0.46%)			
Bim Birlesik Magazalar	80,763	503	0.28
Koc Holding A.S	159,272	390	0.22
		893	0.50
United Arab Emirates 1.37%			
(30.9.21 – 0.64%)			
Emaar Properties	1,027,747	1,620	0.92
First Abu Dhabi Bank PJSC	166,015	805	0.45
		2,425	1.37
Total Europe/Middle East/Africa 13.00%			
(30.9.21 – 17.85%)			
		23,012	13.00
Latin America			
Argentina 0.00%			
(30.9.21 – 0.57%)			
		-	-

Portfolio Statement (continued)

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
Brazil 9.04%			
(30.9.21 – 6.67%)			
3R Petroleum Oleo E Gas	44,179	291	0.16
Dexco Corporation	149,347	258	0.15
Elektrobras S.A.	112,462	893	0.50
Energisa S.A.	61,942	479	0.27
Grupo CCR S.A.	212,222	492	0.28
Itau Unibanco Holding ADR	578,539	2,985	1.69
Localiza Rent A Car S.A	79,232	892	0.50
Lojas Renner	231,024	1,190	0.67
Petro Rio S.A	120,055	611	0.35
Petroleo Brasileiro ADR	148,142	1,830	1.03
Raia Drogasil	276,565	1,162	0.66
Telefonica Brasil S.A.	35,263	264	0.15
TIM S.A.	180,439	403	0.23
Vale ADR	210,363	2,806	1.58
WEG	134,103	797	0.45
XP Inc	18,413	350	0.20
YDUQS	113,238	303	0.17
		16,006	9.04
Chile 0.93%			
(30.9.21 – 0.35%)			
Banco De Chile	5,464,787	485	0.27
Banco Santander Chile ADR	54,707	766	0.43
Falabella S.A.	198,200	399	0.23
		1,650	0.93
Mexico 2.48%			
(30.9.21 – 2.01%)			
Fomento Economico Mexicano	36,605	2,297	1.30
Grupo Financiero Banorte	327,197	2,099	1.18
		4,396	2.48

Portfolio Statement (continued)

	Holding at 30.9.22	Market Value US\$000's	% of total net assets
Peru 0.59%			
(30.9.21 – 0.00%)			
Credicorp	8,485	1,043	0.59
		1,043.00	0.59
Total Latin America 13.04%			
(30.9.21 – 9.60%)			
		23,095	13.04
Portfolio of investments		169,530	95.75
Net other assets		7,524	4.25
Net assets attributable to unitholders		177,054	100.00

Unless otherwise stated, the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

* Related party.

Significant Portfolio Movements*

Purchases

Total cost of purchases for the year		US\$115,676,818
For the year ended 30 September 2022		Cost US\$000's
Taiwan Semiconductor Manufacturing Company		5,424
Samsung Electronics		3,858
Saudi National Bank		3,513
Tencent Holdings		2,976
iShares MSCI Saudi Arabia ETF		2,912
Petroleo Brasileiro ADR		2,505
Zhejiang Satellite Petrochemical		2,307
Vale ADR		2,300
HDFC Bank		2,047
LONGi Green Energy Technology		2,017
Shenzhen Inovance Technology		2,007
Fomento Economico Mexicano		1,876
Xpeng		1,846
Credicorp		1,688
Prudential		1,596
S.F. Holding		1,460
Meituan		1,442
Kia Corporation		1,420
MediaTek		1,396
Samsung SDI		1,389

* Significant portfolio movements disclose the twenty largest purchases during the year.

Significant Portfolio Movements* (continued)

Sales

Total proceeds of sales for the year	US\$82,755,891
For the year ended 30 September 2022	Proceeds US\$000's
MediaTek	4,391
iShares MSCI Saudi Arabia ETF	2,838
Alibaba Group ADR	2,826
Sberbank ADR	2,503
FirstRand	2,448
Li Ning	2,011
Taiwan Semiconductor Manufacturing Company	1,823
Itau Unibanco Holding ADR	1,740
Maruti Suzuki	1,729
Samsung Electronics	1,704
B3 S.A. – Brasil Bolsa Balcao	1,668
Naver	1,609
Taiwan Semiconductor Manufacturing Company ADR	1,576
OTP Bank	1,572
Mercadolibre	1,433
Tencent Holdings	1,422
Kia Corporation	1,402
Gerdau	1,326
KB Financial Group	1,323
Ping An Insurance Group	1,270

* Significant portfolio movements disclose the twenty largest sales during the year.

Statement of Total Return

For the year ended 30 September 2022

	Notes	30.9.22 US\$000's	30.9.21 US\$000's
Income			
Net capital (losses)/gains	2	(88,120)	35,065
Revenue	1&3	6,250	5,011
Expenses	4	(648)	(748)
Finance costs: Interest payable	6	(11)	(3)
Net revenue for the year before taxation		5,591	4,260
Taxation	5	(546)	(1,205)
Net revenue after taxation	1&6	5,045	3,055
Total (loss)/return before distributions		(83,075)	38,120
Finance costs: Distribution and equalisation	6	(3,445)	(1,815)
Change in net assets attributable to unitholders from investment activities		(86,520)	36,305

The results above are from continuing operations. There were no gains or losses other than those dealt with in the Statement of Total Return.

Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 30 September 2022

	30.9.22 US\$000's	30.9.21 US\$000's
Opening net assets attributable to unitholders	238,294	190,753
Amounts receivable on issue of:		
A Units	40,314	18,013
B Units	2,584	-
	42,898	18,013
Less: Amounts payable on cancellation of:		
A Units	(15,601)	-
B Units	(2,017)	(6,777)
	(17,618)	(6,777)
	25,280	11,236
Change in net assets attributable to unitholders from investment activities	(86,520)	36,305
Closing net assets attributable to unitholders from investment activities	177,054	238,294

Balance Sheet

As at 30 September 2022

	Notes	30.9.22 US\$000's	30.9.21 US\$000's
Assets			
Investment assets	1	169,530	224,442
Debtors	7	1,465	15,739
Cash and bank balances		7,039	4,241
Total other assets		8,504	19,980
Total assets		178,034	244,422
Liabilities			
Creditors	8	(980)	(6,128)
Total other liabilities		(980)	(6,128)
Total liabilities		(980)	(6,128)
Net assets attributable to unitholders	13	177,054	238,294

The Financial Statements on pages 28-40 were approved at a Board Meeting of Schroder Investment Management (Guernsey) Limited on 21 March 2023 and signed on its behalf by:

Giles Neville
Director

Jamie Sebire
Director

Directors of the Manager

Notes to the Accounts

1 Accounting policies

Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost basis, as modified by the revaluation of investments and in accordance with the SORP for UK Authorised Funds issued by the Investment Association ("IA"), previously the Investment Management Association ("IMA") in May 2014, and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102, "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102"), the provisions of the Trust Deed dated 17 January 2001, The Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021 and the Principal Documents.

The accounts are presented in US Dollars and amounts have been rounded to the nearest thousand.

Going concern

The Manager believes that, having considered the Fund's investment objective (see Fund Information on page 3), financial instruments and risk profile (see note 12 on the Financial Statements) and in view of the Fund's holdings in cash and cash equivalents, the liquidity of investments and the income deriving from those investments, the Fund has adequate financial resources and suitable management arrangements in place to continue as a going concern for at least twelve months from the date of approval of the financial statements.

Revenue

Dividend income from equity investments is recognised when the right to receive the dividend is irrevocable and is included gross of any withholding tax. Other income is accounted for on an accruals basis.

Realised and unrealised gains or losses on investments

Realised and unrealised gains or losses on disposals of investments are treated as movements on capital and classified as net capital gains or losses in the Statement of Total Return.

Taxation

The amounts disclosed as taxation in the Statement of Total Return of the Schroder Institutional Developing Markets Fund (the "Fund") relate to withholding tax suffered at source on income and capital gains tax on the sale of Indian and Brazilian investments. The Fund is exempt from Guernsey income taxation under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989.

Foreign exchange

Functional currency is the currency of the primary economic environment in which the entity operates. This is the currency in which an entity primarily generates and uses cash. The functional and presentational currency of the Fund is US Dollars.

Monetary and non-monetary assets and liabilities in all other currencies different from the functional currency, are translated based on the exchange rates in effect at the date of the Accounts. Income and expenses in all other currencies different from the functional currency are translated based on the exchange rates in effect at the date of the transaction. Foreign currency translation gains and losses are credited or charged to the Statement of Total Return.

Distributions and equalisation

Distributions may only be made from accumulated income and expenditure of a revenue nature, which consists of net revenue for the year less withholding tax and excluding the effects of taxation on capital gains.

The Directors of the Manager determined that equalisation should be applied within the Fund. Equalisation is a calculation intended to ensure that an investor buying or selling units part way through a distribution period pays or receives a price for the units that reflects revenue accrued in the Fund up to that date and prevents dilution of Fund values. Equalisation is treated as a finance cost of the Fund. Each unit holder will receive a statement with each distribution containing details of the appropriate amount representing the income purchased by each holder.

Notes to the Accounts (continued)

Investment assets

The Fund's quoted investments are designated as "fair value through profit or loss". Purchases and sales of investments are recognised on the trade date (the date on which the fund commits to purchase or sell the investment). They are initially recorded at fair value being the consideration payable excluding any transaction costs. Gains and losses on subsequent revaluation are taken directly to the Statement of Total Return.

Quoted investments and warrants are valued for accounting purposes at bid prices ruling at 24:00 hours on the Balance Sheet date. The difference between cost and valuation is shown as unrealised gains or losses on investments and recognised in the Statement of Total Return.

Quoted investments are valued for valuation purposes at mid-market prices. A reconciliation between reported net asset value and net asset value for accounting purposes is presented in Note 13.

Cash and bank balances

Cash and bank balances comprise cash at bank and short-term deposits. These are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purpose.

Other financial instruments

For other financial instruments, including all debtors, creditors and payables, the carrying amounts as shown in the Balance Sheet approximate fair value due to the short-term nature of these financial instruments.

Cash flow statement

The Fund has not prepared a cash flow statement as it is an open-ended investment fund that meets the requirements for exemption under FRS 102 paragraph 7.1A.

Net assets attributable to unitholders

The net assets attributable to unitholders are classified as financial liabilities. The Fund is a trust and does not have any other capital or equity and the net assets are distributable to the unitholders in their entirety.

The Fund does not deal or trade in its own units as principal. In accordance with the Fund's Scheme Particulars, the Manager may deal/trade in the Fund's units as principal.

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

	2022 US\$000's	2021 US\$000's
Non-derivative securities		
Realised gains on investments sold during the year	12,671	29,539
Realised losses on investments sold during the year	(16,182)	(8,680)
Unrealised gains for the year	5,372	40,431
Unrealised losses for the year	(89,719)	(25,981)
Transaction costs	(247)	(222)
Currency losses	(15)	(22)
Net capital (losses)/gains	(88,120)	35,065

2 Net capital (losses)/gains

3 Revenue

	2022 US\$000's	2021 US\$000's
Dividend income	6,235	5,011
Bank interest	15	–
Total revenue	6,250	5,011

Notes to the Accounts (continued)

4 Expenses

	2022 US\$000's	2021 US\$000's
Payable to the Manager, associates of the Manager and/or agents of either of them:		
Annual management charge	156	219
	156	219
Payable to the Depositary and Trustee, associates of the Trustee and/or agents of either of them:		
Depositary and Trustee fee	34	34
	34	34
Other expenses:		
Administration fee	261	266
Custodian fee	118	101
General expenses	44	39
Audit fee	23	31
Tax advisory fee	12	58
	458	495
Total expenses	648	748

a) Annual management charge:

The Manager is entitled to a management charge, payable out of the assets of the Fund, at the rate of up to 2% per annum of the value of the Fund on a mid-market basis. The fee is accrued daily and paid monthly in arrears. In respect of "A" units, no annual management charge is currently imposed by the Manager. In respect of "B" units, the amount currently charged is at the rate of 1.25% per annum. The fee is accrued daily and paid monthly in arrears.

Other than the imposition of the annual management charge on "B" units, there is no difference in the structure of "A" and "B" units. Both types of units are available to eligible investors.

b) Depositary and Trustee fee:

The Trustee and Depositary is entitled to a fee, subject to a minimum fee of US\$2,500 per month, payable out of the assets of the Fund, at a rate of up to 0.03% per annum of the first US\$50 million, 0.015% per annum of the next US\$100 million and 0.005% per annum thereafter of the value of the Fund or such higher amount as may be agreed between the Manager and the Trustee from time to time.

c) Administration fee:

The Administrator is entitled to a fee, payable out of the assets of Schroder Institutional Developing Markets (the "Fund"), at a rate of 0.215% per annum of the first US\$50 million, 0.115% per annum of the next US\$100 million, 0.053% per annum of the next US\$100 million, 0.03% per annum of the next US\$400 million and 0.025% per annum thereafter of the value of the Fund on a mid-market basis or such higher amount as may be agreed between the Manager and the Administrator from time to time and subject to the Manager giving three months' written notice to Unitholders. Effective 28 January 2016, the Administrator's fee is subject to a minimum of US\$6,000 per month, with other rates remaining unchanged.

d) Custodian fee:

The Custodian is entitled to transaction and safekeeping fees, payable out of the assets of the Fund, at various transaction rates based on a security's country of origin, as per the Custody Fee Agreement with JPMorgan Bank (Ireland) plc, dated 1 November 2006. The Custodian's fee is paid monthly in arrears.

Notes to the Accounts (continued)

5 Taxation

e) Sponsor fee:

Effective from 13 July 2016, Northern Trust International Fund Administration Services (Guernsey) Limited (the "Sponsor") has been appointed to act as Sponsor of the Fund in connection with the Listing. The Sponsor is entitled to a fee, payable out the assets of the Fund, in consideration of the listing services performed. The Sponsor's fee is paid monthly in arrears.

Analysis of the tax charge for the year:

	2022 US\$000's	2021 US\$000's
Withholding tax on dividend income	772	775
Capital gains tax (reversal)/provision	(226)	430
Total taxation	546	1,205

6 Finance costs: distribution and equalisation

Distributions and interest payable

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

	2022 US\$000's	2021 US\$000's
Final dividend distribution – relating to prior year	3,760	2,204
Add: Equalisation charge on cancellation of units	387	85
Deduct: Equalisation credit on creation of units	(702)	(474)
Finance costs: Distributions and equalisation	3,445	1,815
Finance costs: Interest payable	11	3
Total finance costs	3,456	1,818
Net revenue after taxation	5,045	3,055
Movement in undistributed revenue	(1,589)	(1,237)
Finance costs: distributions, equalisation and interest payable	3,456	1,818

After the year end, the Directors of the Manager of the Fund declared a distribution of US\$0.8817 (2021: US\$0.7650) per A unit and US\$0.3678 (2021: US\$0.0000) per B unit amounting to US\$4,876,164 (2021: US\$3,759,814) payable to unitholders on record on 30 September 2022, which was paid on 18 November 2022. Distributions for 2021 were paid on 18 November 2021.

7 Debtors

	2022 US\$000's	2021 US\$000's
Sales of investments awaiting settlement	1,178	230
Capital shares sold receivable	–	14,983
Accrued dividend income	284	523
Other debtors	3	3
Total debtors	1,465	15,739

Notes to the Accounts (continued)

8 Creditors

	2022 US\$000's	2021 US\$000's
Purchases of investments awaiting settlement	422	5,076
Spot contracts payable	-	200
Accrued expenses:		
Manager and Agents		
Annual management charge	10	14
Custodian fee	13	5
	23	19
Depositary and Trustee and Agents		
Depositary and Trustee fee	5	3
	5	3
Other accrued expenses	530	830
Total creditors	980	6,128

9 Contingent liabilities

There were no contingent liabilities as at 30 September 2022 (30 September 2021: Nil).

10 Related party transactions

The Manager, Depositary and Trustee and AIFM actively co-operate to exercise control over the Fund and are therefore related parties by virtue of their controlling influence.

Amounts paid during the year or due to the Manager or the Depositary and Trustee at the year end are disclosed under Expenses (Note 4) and Creditors (Note 8) in the Notes to the Accounts.

Transactions relating to the creation and redemption of units which pass through, but are not for the benefit of, either related party are disclosed in the Statement of Changes in Net Assets Attributable to Unitholders.

11 Unit classes

The Fund currently has two unit classes: A and B. The annual management charge is based on the average value of the Fund, calculated on a daily basis, and covers the remuneration of the Manager, the Investment Adviser, the Alternative Investment Fund Manager and their overhead expenses and for each unit class is as follows:

A units 0.00%
B units 1.25%

The net asset value of each unit class, the net asset value per unit and the number of units in issue in each class are given in the net asset value and Comparative Tables on page 10. The distribution per unit class is given in the Financial highlights on page 3. Both classes have the same rights on winding up.

In addition, the Manager is entitled to receive a preliminary charge on the sale of units to unitholders. At present, the preliminary charge is 5% of the creation price or such lesser amount as the Manager may determine. The preliminary charge is included in the issue price of units and is not expensed separately.

In accordance with the investment objectives and policies, the Fund holds financial instruments which at any one time may comprise the following:

- securities held in accordance with the investment objectives and policies;
- cash and short-term debtors and creditors arising directly from operations;
- borrowings used to finance investment activity; and
- derivative transactions including investments in warrants and forward currency contracts.

12 Financial instruments and risk profile

Notes to the Accounts (continued)

The Fund's investment portfolio is exposed to market risk which is monitored by the Manager in pursuance of the investment objective and policy. The financial instruments held by the Fund principally comprise equities listed on stock markets in emerging countries and are thus subject to risk factors greater than those typically encountered in investing in securities of companies listed on the major securities markets.

The Fund may invest in Low Exercise Call Warrants. These instruments are issued by a broker and are an easy way to access local markets where entry is difficult and time consuming. There were no such financial instruments held at the year end (2021: Nil).

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, interest rate and credit risks.

The specific risks arising from the Fund's exposure to these instruments, and the Manager's policies for managing these risks, which have been applied throughout the period, are summarised below.

Market price risk

The Fund's investment portfolio – particularly its equity investments – is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objectives and policies.

Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed and the Principal Documents mitigates the risk of excessive exposure to any particular type of security or issuer.

Risks associated with investment in emerging markets may include:

- a) controls on foreign investment, including those related to the level of foreign ownership, which may include the risk of expropriation, nationalisation and confiscation of assets, together with possible limitations on repatriation of invested capital;
- b) greater price volatility, substantially less liquidity and significantly smaller market capitalisation of securities markets;
- c) more substantial government intervention in the economy, including restrictions on investing in companies or in industries deemed sensitive to relevant national interests;
- d) a lower level of government supervision and enforcement activity in the regulation of securities markets and the participants in those markets; and
- e) political uncertainty or diplomatic developments, social and religious instability and other considerations.

The risks associated with investment in emerging markets may increase the price risk of the Fund's investment portfolio

The invasion of Ukraine by Russia which began in February 2022 has increased valuation, liquidity and market risk for securities issued by Ukraine, Belarus and Russia, and to a certain extent, most global markets. As at the date of this report, the resolution of this event and the potential impact on the Fund continues to be uncertain. The Manager is closely monitoring the situation with respect to Russian securities held in the Fund and will continue to apply appropriate valuation principles in accordance with the pricing processes. Due to the Fund's inability to transact or transfer these assets, the value of Russian securities in the Fund has become de minimis and this is expected to be reflected as such until further notice.

Price sensitivity analysis

The following details the Fund's sensitivity to movement in market prices. At 30 September 2022, if the market prices had been 10% higher with all other variables held constant, the increase in the net assets attributable to unitholders would have been US\$16,952,966 (2021: 5%, US\$11,222,091). An equal change in the opposite direction would have decreased the net assets attributable to unitholders by the same amount.

Actual trading results may differ from the above sensitivity analysis and those differences may be material.

Notes to the Accounts (continued)

Foreign currency risk

The Fund's investment portfolio is invested in securities denominated in currencies other than the US Dollar which is the functional and reporting currency of the Fund and the Balance Sheet may be significantly affected by movements in the exchange rates of such currencies against the US Dollar. The Manager has the power to manage exposure to currency movements by using forward foreign currency contracts. The Fund has not hedged the US Dollar value of investments that are priced in other currencies.

The Manager's treatment of currency transactions other than in US Dollars is set out in Note 1 to the Accounts under "Foreign exchange".

The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued income.

Risks associated with investment in emerging markets may include:

- the Fund's inability to exchange local currencies for US Dollars as a result of insufficient currency reserves being available; and
- currency devaluations of the US Dollar/the underlying currency.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the Balance Sheet date was as follows:

Currency	Monetary* exposure US\$000's	Non- monetary exposure US\$000's	Total US\$000's
Brazilian Real			
2022	247	8,034	8,281
2021	(56)	9,200	9,144
Chilean Peso			
2022	7	885	892
2021	-	-	-
Chinese Yuan			
2022	72	10,012	10,084
2021	70	7,581	7,651
Chinese Yuan Offshore			
2022	-	2,355	2,355
2021	-	-	-
Emirati Dirham			
2022	-	2,426	2,426
2021	-	1,527	1,527
Euro			
2022	-	1,708	1,708
2021	-	1,691	1,691
Hong Kong Dollar			
2022	154	32,771	32,925
2021	(41)	42,278	42,237
Hungarian Forint			
2022	-	780	780
2021	-	3,531	3,531
Indian Rupee			
2022	10	19,913	19,923
2021	11	18,201	18,212

Notes to the Accounts (continued)

Currency	Monetary* exposure US\$000's	Non- monetary exposure US\$000's	Total US\$000's
Indonesian Rupiah			
2022	(432)	2,377	1,945
2021	(526)	2,050	1,524
Malaysian Ringgit			
2022	25	1,004	1,029
2021	17	807	824
Mexican Peso			
2022	–	2,100	2,100
2021	–	2,551	2,551
Pakistan Rupee			
2022	–	–	–
2021	6	37	43
Polish Zloty			
2022	40	555	595
2021	(119)	1,846	1,727
Pound Sterling			
2022	(8)	1,416	1,408
2021	(418)	1,689	1,271
Qatari Rial			
2022	–	1,293	1,293
2021	–	–	–
Saudi Arabian Riyal			
2022	(103)	4,000	3,897
2021	–	–	–
South African Rand			
2022	156	8,697	8,853
2021	(106)	11,534	11,428
South Korean Won			
2022	64	20,932	20,996
2021	226	33,248	33,474
Taiwan Dollar			
2022	73	23,451	23,524
2021	102	32,825	32,927
Thai Baht			
2022	–	2,108	2,108
2021	–	1,909	1,909
Turkish Lira			
2022	–	892	892
2021	–	1,090	1,090
US Dollar			
2022	7,219	21,821	29,040
2021	14,686	50,847	65,533

* Monetary exposure includes all bank balances and trade debtors and creditors.

The above reflects the actual exposure of the underlying investments which would not necessarily match the currency of the primary investment's domicile.

Notes to the Accounts (continued)

At 30 September 2022, had all the above currencies strengthened by 10% against the US Dollar, with all other variables held constant, the net assets attributable to unitholders and the change in net assets to unitholders from investment activities would have decreased by US\$14,801,400 (2021: 5%, US\$8,638,000). A 10% weakening of those currencies against the US Dollar would have resulted in an equal but opposite effect.

Liquidity risk

As at 30 September 2022, the Fund has no significant financial liabilities other than short-term creditors arising directly from investing activities.

The Manager takes into account the liquidity of potential investments before making a decision to invest. Using average daily traded volume for the last six months, the investments of the Fund, if sold in isolation, could be liquidated within 1 day, taking an average for all the Fund's investments, with some smaller stocks taking 2 or more days to sell.

If the Fund were selling in conjunction with other funds managed by Schroders' emerging market equity team, then the average would be approximately 6 days, but some smaller stocks could take a week or more to sell. If the Fund were selling in conjunction with all other funds managed by Schroders, then the average would be approximately 8 days, but again some smaller stocks could take much longer.

The Manager may suspend the creation, sale and redemption of units if, amongst other things, the Manager is of the opinion that a suspension is in the interests of Unitholders. The suspension of dealings in units must cease as soon as practicable after the Manager is no longer of the opinion that exceptional circumstances continue to apply and in any event within 12 months of the commencement of the suspension. Whenever the Manager declares a suspension as described above, then it must inform the Guernsey Financial Services Commission of the suspension and the reasons for it and it must also give notice of the suspension and the reasons for it to The International Stock Exchange.

Interest rate risk

The Fund may invest in fixed and floating rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the expiry of contracts or sale of securities. The value of fixed interest securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank balances or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Risks associated with investment in emerging markets may include higher rates of inflation.

As at 30 September 2022, substantially all of the Fund's assets are non-interest bearing equity investments and its direct exposure to interest rate changes is minimal.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will be unable or unwilling to meet a commitment that it has entered into with the Fund.

The Fund is exposed to credit risk in respect of investment assets, sale of investments awaiting settlement, cash and bank balances.

The carrying amount of financial assets best represents the maximum credit risk exposure of the Fund at the Balance Sheet date. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as the delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund is exposed to counterparty risk on parties with whom it trades and will bear the risk of settlement default. The Fund minimises the concentration of credit risk by undertaking transactions with reputable counterparties on recognised and reputable exchanges.

Substantially, all of the Fund's assets are held with JPMorgan Bank (Ireland) plc, a wholly owned subsidiary of JPMorgan Chase and Company, which has a credit rating of P-1 with

Notes to the Accounts (continued)

Moody's. The Fund is subject to credit risk to the extent that this institution may be unable to return the cash and investment assets.

Fair value of investments

The Fund's fair value hierarchy has the following levels:

Level 1 – Valued using quoted prices in active markets for identical assets.

Level 2 – Valued by reference to valuation techniques using observable inputs other than quoted prices included within Level 1.

Level 3 – Valued by reference to valuation techniques that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level of input that is significant to the fair value measurement.

The following table analyses within the fair value hierarchy the fund's financial assets (by class) measured at fair value.

As at 30 September 2022:

	Total US\$000's	Level 1 US\$000's	Level 2 US\$000's	Level 3 US\$000's
Investment assets	169,530	169,530	–	–

As at 30 September 2021:

	Total US\$000's	Level 1 US\$000's	Level 2 US\$000's	Level 3 US\$000's
Investment assets	224,442	224,442	–	–

Following Russia's invasion of the Ukraine in February 2022, Russian authorities implemented sanctions on foreign entities transacting in Russian securities and on the exchange of Russian Rubles. This resulted in third-party pricing of Russian equities being discontinued in early March.

Effective 2 March 2022, the Fund reclassified its entire portfolio of Russian equities from Level 1 to Level 3. This portfolio had a last available value of US\$3.01 million as of 28 February 2022 before the reclassification. As at the reporting date, the entire portfolio of Russian equities is valued at US\$Nil.

The current carrying value of the Russian equities has been determined by the Directors, in conjunction with the Investment Adviser, through a process of assessing alternative trading or exchange channels, anecdotal evidence of any trades or exchanges on such channels and assessing the approach taken by other investment managers and investment advisors who manage / advise similar funds. They have considered the fact that any valuation methodology applied would be highly subjective, whereby the pricing of any transactions with unitholders in the interim period (until valid pricing information is available again) would also become highly subjective. Finally, and considering the uncertainty of when and if Russian markets will once again become accessible to foreign investors, they have decided that the value of Russian equities held within the Fund is materially \$Nil.

There were no other transfers between levels during the year (2021: Nil).

13 Reconciliation of Reported Net Asset Value to Net Asset Value per Accounts

	2022 US\$000's	2021 US\$000's
Reported Net Asset Value*	177,129	238,436
Adjustment to restate mid-market prices to bid prices	(75)	(142)
Net assets attributable to unitholders per Financial Statements	177,054	238,294

* This represents the year end Net Asset Value for valuation purposes before deducting distributions.

Notes to the Accounts (continued)

The adjustment to restate mid-market prices to bid prices is an accounting adjustment only and does not apply for valuation purposes.

There were 5,414,186 (30 September 2021: 4,914,789) A units and 278,619 (30 September 2021: 278,165) B units in issue at 30 September 2022.

14 Portfolio transaction costs

	2022 US\$000's	2021 US\$000's
Analysis of total purchase costs:		
Purchases in year before transaction costs	115,677	81,029
Commissions	70	51
Other costs	54	40
Total purchase costs	124	91
Gross purchase total	115,801	81,120
Analysis of total sales costs:		
Gross sales in year before transaction costs	82,756	80,556
Commissions	(49)	(49)
Other costs	(73)	(82)
Total sales costs	(122)	(131)
Total sales net of transaction costs	82,634	80,425

Average portfolio dealing spread

As at the Balance Sheet date, the average portfolio dealing spread was 0.22% (2021: 0.14%), based on close of business prices.

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

15 Units in issue reconciliation

	Number of units in issue as at 30.09.2021	Number of units issued	Number of units redeemed	Number of units in issue as at 30.09.2022
A Units	4,914,789	926,322	(426,925)	5,414,186
B Units	278,165	59,138	(58,684)	278,619

16 Significant events

During the year, a holder of significant units in the Fund has indicated their intention to redeem their units. On completion of the intended redemption, the Manager is comfortable that the liquidity measures within the Fund will remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

17 Subsequent events

There were no material events subsequent to year end.

Distribution Table

Final distribution for the year ended 30 September 2022

Group 1 Units purchased prior to 1 October 2021

Group 2 Units purchased on or after 1 October 2021

	Net revenue 2022 per unit US\$	Equalisation 2022 US\$	Distribution 30.09.2022 US\$	Distribution 30.09.2021 US\$
A Units				
Group 1	0.8817	–	0.8817	0.7650
Group 2	–	0.8817	0.8817	0.7650
B Units				
Group 1	0.3678	–	0.3678	0.0000
Group 2	–	0.3678	0.3678	0.0000

Equalisation

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

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

General Information

Manager

Schroder Investment Management
(Guernsey) Limited,
Regency Court,
Glategny Esplanade,
St. Peter Port,
Guernsey,
Channel Islands, GY1 3UF.

Administrator and Registrar

Northern Trust International Fund
Administration Services (Guernsey) Limited,
PO Box 255, Trafalgar Court,
Les Banques,
St. Peter Port,
Guernsey,
Channel Islands, GY1 3QL.

Depository and Trustee

Northern Trust (Guernsey) Limited
PO Box 71, Trafalgar Court,
Les Banques,
St. Peter Port,
Guernsey,
Channel Islands, GY1 3DA.

Alternative Investment Fund Manager

Schroder Unit Trusts Limited
1 London Wall Place,
London, EC2Y 5AU,
United Kingdom

Investment Adviser

Schroder Investment Management Limited
1 London Wall Place,
London, EC2Y 5AU,
United Kingdom

Independent Auditor

PricewaterhouseCoopers CI LLP
Royal Bank Place,
1 Glategny Esplanade,
St. Peter Port,
Channel Islands, GY1 4ND.

Custodian and Banker

JPMorgan Bank (Ireland) plc
JPMorgan House,
International Financial Services Centre,
Dublin 1,
Ireland.

General Information (continued)

Schroder Institutional Developing Markets Fund is an open-ended Unit Trust constituted under the laws of Guernsey by deed on 17 January 2001.

The Fund has been authorised by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law 2020 as a Class B Scheme as defined in the Authorised Collective Investment Schemes (Class B) Rules and Guidance, 2021.

The accounting date of the Fund is 30 September in each year. The units of the Fund are listed on The International Stock Exchange ('TISE') and were delisted from the Irish Stock exchange on 15 July 2016. Effective from 15 July 2016, the Fund changed from Secondary listing to Primary listing on the TISE. Prices of the units in the Fund are published in the Financial Times in the "FT Managed Funds Service" section under the heading, "Schroder Inv Mgmt (Guernsey) Ltd (Regulated)".

It is the intention of the Manager to conduct the affairs of the Fund so as to ensure that it will not become resident in the United Kingdom. Accordingly, and provided that the Fund does not carry on a trade in the United Kingdom through a branch or agency situated therein, the Fund will not be subject to United Kingdom Corporation Tax or Income Tax.

Under The Offshore Funds (Tax) Regulations, the Fund has received approval from the HMRC as a reporting fund with effect from 1 October 2010. For the accounting year ended 30 September 2011 and future years, details of the reportable income that a UK investor should declare as taxable income have been published in the Schroders website (<https://www.schroders.com/en-gb/uk/institutional/funds-and-strategies/guernsey-fund-income-tables/>) within six months of the end of each accounting year.

Alternative Investment Fund Managers Directive (AIFMD)

The AIFMD, as implemented in the UK by the Alternative Investment Fund Managers (AIFMs) Regulations 2013, establishes an EU wide harmonised framework for monitoring and supervising risks posed by AIFMs and the alternative investment funds (AIFs) they manage.

The Fund is an AIF and Schroder Unit Trusts Limited ("SUTL") was authorised by the Financial Conduct Authority to act as an AIFM on 2 July 2014.

The AIFMD requires certain information to be disclosed to unitholders. It is intended that any such information will in future be provided in the report and accounts, unless such information is required to be disclosed without delay, in which case it will be made via the Schroders website at: www.schroders.com/en/uk/private-investor/fund-centre/changes-to-funds/

AIFMD remuneration disclosures for Schroder Unit Trusts Limited ('SUTL') for the year to 31 December 2021

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 77 to 99 of the 2021 Annual Report & Accounts (available on the Group's website – <https://www.schroders.com/en/investor-relations/results-and-reports/annual-report-and-accounts-2021/>), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

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

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the AIFM Directive are met for all AIF MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. During 2021, the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

General Information (continued)

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

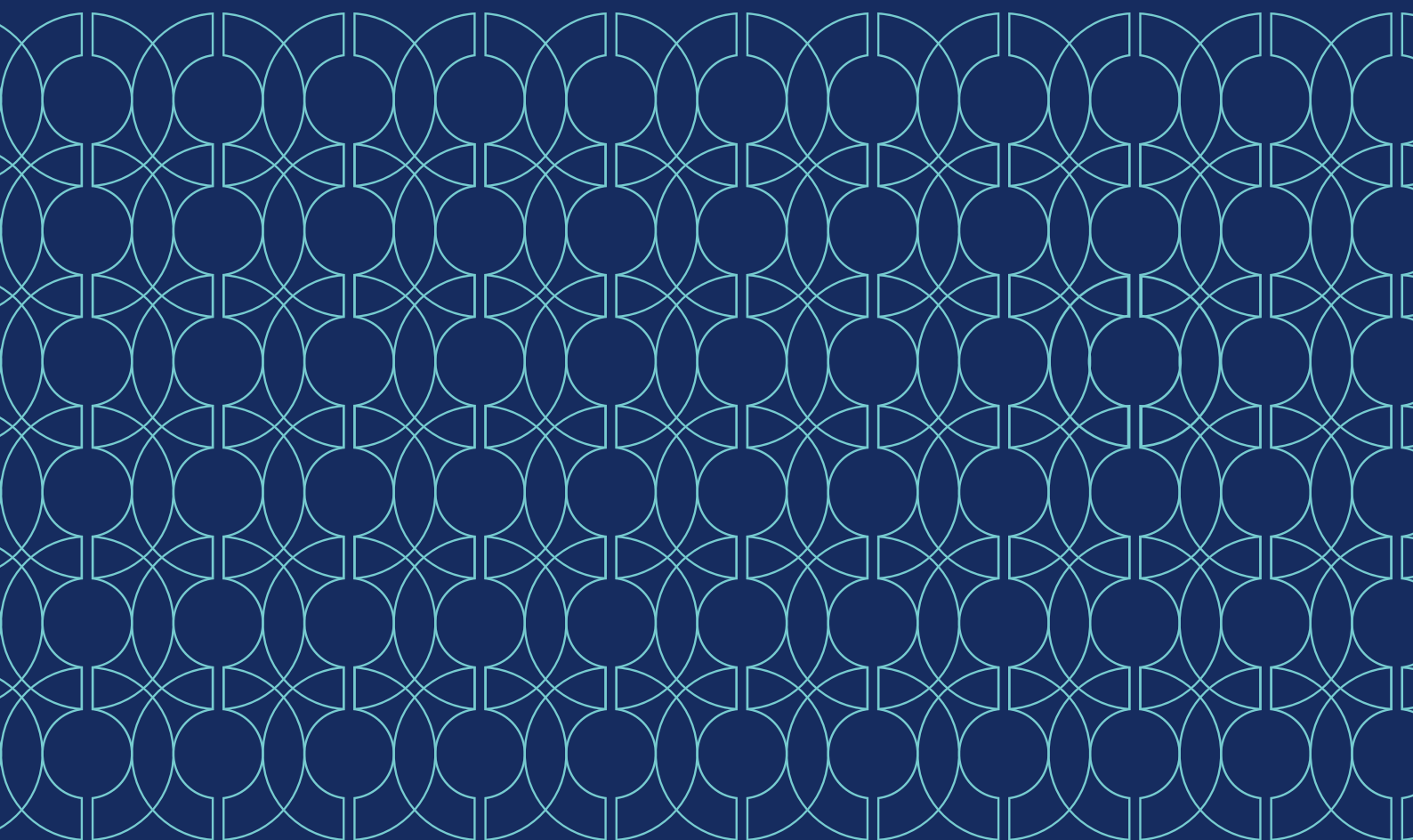
The total spend on remuneration is determined by reference to a total compensation ratio, measuring total remuneration expense against net income. This ensures that the interests of employees are aligned with Schroders financial performance. In determining the remuneration spend each year, the underlying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

The remuneration data that follows reflects amounts paid in respect of performance during 2021.

- The total amount of remuneration paid by SUTL to its staff was nil as SUTL has no employees. SUTL has two Independent Non-Executive Directors who receive fees in respect of their role on the Board of SUTL¹. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to AIF MRTs of SUTL. Most of those AIF MRTs were employed by and provided services to other Schroders group companies and clients. In the interests of transparency, the aggregate remuneration figures that follow reflect the full remuneration for each SUTL AIF MRT. The aggregate total remuneration paid to the 152 AIF MRTs of SUTL in respect of the financial year ended 31 December 2021 is £117.47 million, of which £49.03 million was paid to senior management, £62.75 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the AIF funds that it manages and £5.69 million was paid to Control Function MRTs.

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

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



EST. 1804

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

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

For more information or literature on this fund, please contact Investor Services on +44 (0)1481 745026 or at SchroderLtd@ntrs.com, or visit our website at www.schroders.com.
Issued in March 2023 by Schroder Investment Management (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 3QL. Registered No: 20403. Regulated by The Guernsey Financial Services Commission reference no: 28815.