





## Schroder GAIA II

Société d'Investissement à Capital Variable (SICAV)

# Semi-Annual Report

30 June 2021

No subscriptions can be received on the basis of periodical reports. Subscriptions are valid only if made on the basis of the current prospectus, the current Key Investors Information Documents, accompanied by the last available audited annual report or unaudited semi-annual report if published thereafter. This report is based on the current prospectus.

Audited annual and unaudited semi-annual reports, the current prospectus, the KIID and the Articles of Incorporation of the Company are available, free of charge, at the Company's registered office, 5, rue Höhenhof, L-1736 Senningerberg, Grand Duchy of Luxembourg.

## Table of Contents

|  |           |
|--|-----------|
| <b>Schroder GAIA II</b>                        | <b>5</b>  |
| <b>Board of Directors</b>                      | <b>6</b>  |
| <b>Administration</b>                          | <b>7</b>  |
| <b>Directors' Report</b>                       | <b>8</b>  |
| <b>Investment Manager's Report</b>             | <b>9</b>  |
| <b>Statement of Net Assets</b>                 | <b>10</b> |
| <b>Statement of Operations</b>                 | <b>13</b> |
| <b>Statement of Changes in Net Assets</b>      | <b>14</b> |
| <b>Distribution of Investments by Industry</b> | <b>15</b> |
| <b>Portfolio of Investments</b>                | <b>16</b> |
| Schroder GAIA II NGA Turnaround                | 16        |
| Schroder GAIA II Specialist Private Equity     | 17        |
| <b>Notes to the Financial Statements</b>       | <b>19</b> |
| <b>Total Expense Ratio (the "TER")</b>         | <b>22</b> |
| <b>Appendix I - Fund Performance</b>           | <b>23</b> |

# Schroder GAIA II

## The Company

Schroder GAIA II (the 'Company') is an umbrella structured open-ended investment company organised as a 'société anonyme' under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ('SICAV') under Part II of the Law of 17 December 2010 as amended and as an alternative investment fund within the meaning of article 1(39) of the law of 12 July 2013 on alternative investment fund managers (the '2013 Law'). The Company was incorporated on 10 December 2015 and its Articles were published in the Memorial on 24 December 2015.

This report covers the period from 1 January 2021 to 30 June 2021. The financial statements are prepared in accordance with Luxembourg regulations relating to undertakings for collective investment. The last day on which prices were calculated was 30 June 2021, the last working day of the period under review. At the date of this report, one sub-fund is available for investment and one sub-fund is in liquidation within the Company (the 'sub-funds').

Please refer to the current prospectus for the investment objectives of the sub-funds as well as details of investment restrictions. The Investment Manager's report for each sub-fund can be found in the quarterly investment reports, which can be obtained from the Company's registered office and are also available on the website of Schroder Investment Management (Europe) S.A. (<http://www.schroders.lu>).

Schroders is a FATCA compliant organisation. The FATCA classification of this entity and its GIIN is as follows: FATCA entity classification: FFI; Sponsoring entity: Schroder Investment Management (Europe) S.A.; Sponsoring entity GIIN: 4RIMT7.00000.SP.442.

## Corporate Governance

The Company is subject to corporate governance based on:

1. Its obligations as defined by Part II of the Luxembourg law of 17 December 2010, as amended, on undertakings for collective investment and the Alternative Investment Fund Managers Directive 2011/61/EU, as implemented in Luxembourg law, which are available for inspection at the registered office of the Company at 5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg.
2. Its Articles of Incorporation which are available for inspection at the registered office of the Company and at the Luxembourg corporate and trade register, Registre de Commerce et des Sociétés ('RCSL').
3. The obligations in respect of the management of the Company, for which the Company has appointed Schroder Investment Management (Europe) S.A., which is subject to the requirements of the Management Company Directive 2010/43/EC and the Alternative Investment Fund Managers Directive 2011/61/EU, as implemented in Luxembourg law.
4. The Association of the Luxembourg Fund Industry ('ALFI') Code of Conduct for Luxembourg Investment Funds, the principles of which the Company has voluntarily adopted.

## Internal Control and Risk Management Systems

The Board of Directors is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of error or fraud in achieving the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has contracted with the Management Company to put procedures in place to ensure all relevant accounting records are properly maintained and are readily available, including the production of annual and semi-annual reports. The annual and semi-annual reports of the Company are required to be approved by the Board of Directors of the Company and filed with the Commission de Surveillance du Secteur Financier ('CSSF') and in the case of the annual reports, with the Registre de Commerce et des Sociétés ('RCSL'). The annual statutory financial statements are required to be audited by independent auditors who report to the Board of Directors on their findings.

The Board of Directors meets at least four times a year and ensures that the Company maintains high standards of integrity and control in its operations and that it possesses adequate governance and means of control as law and regulation demand.

# Board of Directors

## Chairman

– **Eric Bertrand**

**Head of Schroders GAIA**

Vaults 13-15  
Valletta Waterfront  
FRN 1914  
Malta

## Other Directors

– **Carla Bergareche**

**Head of Iberian Business**

Schroder Investment Management (Europe) S.A.  
Sucursal en España  
C/ Pinar 7, 4a planta, 28006 Madrid  
Spain

– **Mike Champion**

**Head of Product Development**

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

– **Marie-Jeanne Chèvremont-Lorenzini**

**Independent Director**

12, rue de la Sapinière, 8150 Bridel  
Grand Duchy of Luxembourg

– **Bernard Herman**

**Independent Director**

Immeuble Dyapason  
4, rue Robert Stumper, 2557 Luxembourg  
Grand Duchy of Luxembourg

– **Achim Kuessner**

**Country Head Germany, Austria & CEE**

Schroder Investment Management (Europe) S.A.  
German Branch  
Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main  
Germany

– **Neil Walton**

**Head of Investment Solutions**

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

– **Hugh Mullan**

**Independent Director**

5, rue Höhenhof,  
1736 Senningerberg  
Grand Duchy of Luxembourg

# Administration

## Registered Office

5, rue Höhenhof, 1736 Senningerberg  
Grand Duchy of Luxembourg

## Management Company, Registrar and Domiciliary Agent

**Schroder Investment Management (Europe) S.A.**

5, rue Höhenhof, 1736 Senningerberg  
Grand Duchy of Luxembourg

## Principal Paying Agent and Transfer Agent

**HSBC Continental Europe, Luxembourg**

16, boulevard d'Avranches, 1160 Luxembourg  
Grand Duchy of Luxembourg

## Depositary and Administration Agent

**Brown Brothers Harriman (Luxembourg) S.C.A.**

80, route d'Esch, 1470 Luxembourg  
Grand Duchy of Luxembourg

## Principal Legal Adviser

**Arendt & Medernach S.A.**

41A, Avenue J.F. Kennedy, 2082 Luxembourg  
Grand Duchy of Luxembourg

## Independent Auditor

**PricewaterhouseCoopers, Société coopérative**

2, rue Gerhard Mercator, 2182 Luxembourg  
Grand Duchy of Luxembourg

## Investment Managers

**New Generation Advisors LLC**

13 Elm Street, Suite 2, Manchester MA 01944  
United States  
Schroder GAIA II NGA Turnaround\*

**Schroders Capital Management (Switzerland) AG<sup>^</sup>**

Affolternstrasse 56, Zurich, 8050  
Switzerland  
Schroder GAIA II Specialist Private Equity

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

<sup>^</sup> With effect from 7 June 2021 Schroder Adveq Management AG changed its name to Schroders Capital Management (Switzerland) AG.

# Directors' Report

## Introduction

The directors of the Company submit their report and the financial statements for the period ended 30 June 2021.

## Activities during the period

On 30 June 2021, the total net assets of the Company were EUR 263,794,174 compared to EUR 151,875,365 on 31 December 2020, representing an increase of 74%.

During the period under review, Schroder GAIA II NGA Turnaround is in liquidation.

## 1. New share classes

The following share classes were made available during the period under review:

| Sub-Fund and Share Class                          | Share Class Currency | Sub-Fund Base Currency | Launch Date  |
|---|----------------------|------------------------|--------------|
| <b>Schroder GAIA II Specialist Private Equity</b> |                      |                        |              |
| Class IB Acc EUR                                  | EUR                  | USD                    | 31 May 2021  |
| Class C Acc GBP                                   | GBP                  | USD                    | 30 June 2021 |

### The Board of Directors

Schroder GAIA II

30 June 2021



# Investment Manager's Report

## Economic review

Progress on the roll-out of Covid-19 vaccines dominated newsflow in the first six months of 2021 and reinforced expectations of a swift rebound in the global economy. The US and UK were among the first of the large economies to distribute vaccines at scale, with the EU following shortly afterwards. While lockdowns and other restrictions on mobility and economic activity continued in many countries for much of the period, there were growing signs of a sharp rebound, especially for the manufacturing sectors.

In addition, January brought news that the November 2020 US presidential election had turned into a Democrat "blue sweep". Run-off elections in Georgia confirmed that the Democrats had taken the Presidency, House and Senate. This paved the way for further stimulus to help the economy recover from the pandemic, as well as raising the prospect that President Joe Biden would be able to pass key parts of his platform, including measures to combat climate change. A \$973 billion bipartisan infrastructure deal was agreed in June 2021, although this included few climate measures.

Economic data confirmed that the US economy was bouncing back from the pandemic, with an expansion of 6.4% (quarter-on-quarter, annualised) in Q1 2021, compared to 4.3% in Q4 2020. By contrast, the eurozone saw GDP contract by -0.3% year-on-year in Q1. Chinese GDP growth was 18.3% year-on-year in Q1 2021, partly explained by the fact the economy was one of the first hit by the pandemic in early 2020. However, forward-looking data confirmed that the recovery was spreading out to other countries too. The eurozone manufacturing PMI, which measures activity in the sector, hit a record high of 63.4 in June 2021.

As the six-month period wore on, there were fears that the pace of the recovery and consequent supply bottlenecks could bring about a persistent rise in inflation. The US Federal Reserve (Fed) repeatedly said that it viewed the current inflationary pressures as transitory but this was followed by a surprisingly hawkish tilt at the June FOMC meeting. However, the Fed subsequently eased fears that policy would be tightened more quickly than expected.

The supply bottlenecks contributing to rising inflation included some labour shortages in certain sectors. A key theme of the period was shortages of semiconductors affecting the production of all kinds of goods, notably electric cars. Global trade was also disrupted by rising shipping costs as well as delays after a container ship blocked the Suez canal.

## Equity market review

Global equities made a strong advance over the six months with the MSCI World index returning 13.0% (in US dollars). Overall, areas most exposed to the economic cycle led equities higher whilst defensive sectors lagged. The first part of the period saw strong performance from value parts of the market, which had been out of favour during the pandemic but would be beneficiaries of a more reflationary environment. However, as the period progressed, investors appeared to pare back "reflation trade" positions in favour of stocks with stronger quality characteristics, most notably profitability, growth and financial strength. The MSCI Value index returned 14.7% for the period compared to 11.1% for MSCI World Growth.

The early part of the year also brought volatility amid rising retail participation in markets. This was most prominent as a battle emerged between retail traders and hedge funds over the US computer game store, GameStop. Other signs of speculative activity were manifest in some gains for cryptocurrencies such as Bitcoin.

By region, US equities led the way as the economic outlook continued to improve, in part thanks to a broadly supportive Fed and the prospect of the infrastructure package. Eurozone and UK shares also saw strong gains, supported by a strong Q1 corporate earnings season and an acceleration in the pace of vaccine roll-out in the region. Japanese shares saw positive returns but lagged other developed markets amid a slower vaccine roll-out.

Emerging market equities failed to match the pace set by developed equities. The MSCI Emerging Markets Index returned 7.4% (in US dollars). Concerns included the slower pace and lower overall access to vaccinations compared with developed markets, a slowing Chinese credit impulse, and ongoing regulation of big tech by Chinese authorities weighed on the market's progress.

*(Source for returns: DataStream)*

## Outlook

The Schroders economics team now forecasts global GDP growth at 5.9% in 2021, slowing to 4.5% growth in 2022. The recovery in growth is being driven by a re-opening of the service sector, which favours the advanced economies over the emerging markets (EM). Hence, the upgrade is led by the US and Europe. This growth differential is reinforced by the greater availability of vaccines and fiscal support in the developed economies. Such an outcome is a contrast with the recovery from the last recession when massive stimulus in China led the EM out of the global financial crisis (GFC).

The Schroders economics team has also raised inflation forecasts, now expecting global CP (consumer price index) at 2.9% in 2021 and 2.5% in 2022. The increase in inflation is largely due to the rise in commodity prices and the rapid pace of recovery. This has created bottlenecks in some sectors of the world economy. While there is significant spare capacity, it cannot be put in place rapidly enough to prevent shortages of materials, parts and labour emerging in the short-term.

Turning to monetary policy, the economics team still believes that the current US inflation spike will prove to be temporary. But inflation will pick up next year, leading to a need for tighter monetary policy. The team sees the Fed beginning to taper in Q4 this year and raising interest rates at the end of 2022.

In terms of the implications for markets, a combination of continued policy support from the authorities and stronger global growth should support equities. Importantly, the economics team expects the robust profits outlook and the delivery of strong earnings growth will offset the impact of higher bond yields.

## The Investment Managers

Schroder GAIA II

# Statement of Net Assets as at 30 June 2021

|   | Schroder GAIA II<br>NGA Turnaround*<br>USD | Schroder GAIA II<br>Specialist Private<br>Equity<br>USD | Total**<br>EUR     |
|---|--|---|--------------------|
| <b>ASSETS</b>   |  |   |                    |
| <b>Investments</b>  |  |   |                    |
| Securities at cost  | 101,489                                    | 199,454,909   | 168,295,507        |
| Unrealised appreciation/(depreciation)***                       | (101,489)                                  | 73,192,061  | 61,640,794         |
| <b>Securities at Market Value</b>                               |  |   |                    |
| Unrealised appreciation/(depreciation)***                       | -  | 272,646,970   | 229,936,301        |
| on forward foreign exchange contracts                           | (27)                                       | -   | (23)               |
| Cash at banks   | 56,017                                     | 40,862,897  | 34,508,888         |
| Collateral receivable for collateral paid                       | 10,000                                     | -   | 8,434              |
| <b>TOTAL ASSETS</b>   | <b>65,990</b>                              | <b>313,509,867</b>                                      | <b>264,453,600</b> |
| <b>LIABILITIES</b>  |  |   |                    |
| Management fees payable   | -  | 299,678   | 252,733            |
| Other payables and accruals                                     | 2,507                                      | 479,730   | 406,693            |
| <b>TOTAL LIABILITIES</b>  | <b>2,507</b>                               | <b>779,408</b>  | <b>659,426</b>     |
| <b>TOTAL NET ASSETS</b>   | <b>63,483</b>                              | <b>312,730,459</b>                                      | <b>263,794,174</b> |
| <b>UNREALISED APPRECIATION/(DEPRECIATION) SPLIT</b>             |  |   |                    |
| Unrealised appreciation on investments                          | -  | 74,057,395  | 62,456,162         |
| Unrealised (depreciation) on investments                        | (101,489)                                  | (865,334)   | (815,368)          |
| Unrealised (depreciation) on forward foreign exchange contracts | (27)                                       | -   | (23)               |

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

\*\* For the total of the Statement of Net Assets, which has been presented in Euro, assets and liabilities stated in currencies other than Euro have been converted at the following exchange rate ruling as at 30 June 2021: 1 Euro = 1.18575 US Dollar.

\*\*\* Please refer to the table Unrealised appreciation/(depreciation) for the calculation split.

The notes on pages 19 to 21 form an integral part of these financial statements.

# Statement of Net Assets as at 30 June 2021 (cont)

Schroder GAIA II NGA  
Turnaround\*  
USD

|                                    |        |
|------------------------------------|--------|
| <b>Net Asset Value</b>             |        |
| as at 30 June 2021                 | 63,483 |
| <b>Shares outstanding</b>          |        |
| as at 30 June 2021                 |        |
| Class A Acc                        | 4      |
| Class A Acc EUR Hedged             | 2      |
| Class C Acc                        | 6      |
| Class C Acc EUR Hedged             | 12     |
| Class C Acc GBP Hedged             | 0.15   |
| Class C Dis GBP Hedged             | 0.15   |
| Class E Acc                        | 38     |
| Class E Acc EUR Hedged             | 0.59   |
| Class E Dis GBP Hedged             | 0.15   |
| Class I Acc                        | 150    |
| <b>Net Asset Value per Share**</b> |        |
| as at 30 June 2021                 |        |
| Class A Acc                        | 248.80 |
| Class A Acc EUR Hedged             | 225.33 |
| Class C Acc                        | 264.63 |
| Class C Acc EUR Hedged             | 229.64 |
| Class C Acc GBP Hedged             | 242.51 |
| Class C Dis GBP Hedged             | 242.51 |
| Class E Acc                        | 264.23 |
| Class E Acc EUR Hedged             | 241.91 |
| Class E Dis GBP Hedged             | 250.13 |
| Class I Acc                        | 311.66 |

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

\*\* The Net Asset Value per Share of each Share Class is stated in the currency of the Share Class.  
The notes on pages 19 to 21 form an integral part of these financial statements.

# Statement of Net Assets as at 30 June 2021 (cont)

Schroder GAIA II Specialist  
Private Equity  
USD

| <b>Net Asset Value</b>             |             |
|------------------------------------|-------------|
| as at 30 June 2021                 | 312,730,459 |
| <b>Shares outstanding</b>          |             |
| as at 30 June 2021                 |             |
| Class A Acc                        | 25,422      |
| Class A Acc EUR                    | 22,096      |
| Class A1 Acc                       | 38,077      |
| Class A1 Acc EUR                   | 2,943       |
| Class C Acc                        | 175,871     |
| Class C Acc CHF                    | 87,081      |
| Class C Acc EUR                    | 141,679     |
| Class C Acc GBP*                   | -           |
| Class E Acc                        | 264,030     |
| Class I Acc                        | 127,904     |
| Class I Acc AUD                    | 59,364      |
| Class IA Acc                       | 714,992     |
| Class IA Acc CHF                   | 9,417       |
| Class IA Acc EUR                   | 311,457     |
| Class IB Acc                       | 15          |
| Class IB Acc EUR*                  | 15          |
| Class S Acc                        | 44,356      |
| <b>Net Asset Value per Share**</b> |             |
| as at 30 June 2021                 |             |
| Class A Acc                        | 150.86      |
| Class A Acc EUR                    | 142.51      |
| Class A1 Acc                       | 130.53      |
| Class A1 Acc EUR                   | 135.29      |
| Class C Acc                        | 152.01      |
| Class C Acc CHF                    | 145.00      |
| Class C Acc EUR                    | 138.15      |
| Class C Acc GBP*                   | 100.00      |
| Class E Acc                        | 152.68      |
| Class I Acc                        | 156.72      |
| Class I Acc AUD                    | 129.58      |
| Class IA Acc                       | 153.53      |
| Class IA Acc CHF                   | 145.95      |
| Class IA Acc EUR                   | 140.57      |
| Class IB Acc                       | 154.45      |
| Class IB Acc EUR*                  | 102.16      |
| Class S Acc                        | 153.28      |

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

\*\* The Net Asset Value per Share of each Share Class is stated in the currency of the Share Class.  
The notes on pages 19 to 21 form an integral part of these financial statements.

# Statement of Operations for the Period Ended 30 June 2021

|                                     | Schroder<br>GAIA II NGA<br>Turnaround*<br>USD | Schroder<br>GAIA II Specialist<br>Private Equity<br>USD | Total**<br>EUR     |
|-------------------------------------|---|---|--------------------|
| <b>INCOME</b>                       |   |   |                    |
| Investment income                   | -   | 75,779  | 63,908             |
| Bank interest                       | 3   | 399   | 339                |
| <b>Total Income</b>                 | <b>3</b>                                      | <b>76,178</b>   | <b>64,247</b>      |
| <b>EXPENSES</b>                     |   |   |                    |
| Management fees                     | -   | 1,394,686   | 1,176,206          |
| Custodian fees                      | -   | 35,675  | 30,087             |
| Administration fees                 | -   | 276,018   | 232,779            |
| Legal fees                          | -   | 200,736   | 169,290            |
| Professional fees                   | -   | 127,333   | 107,386            |
| Taxe d'abonnement                   | -   | 34,954  | 29,478             |
| Amortisation of formation expenses  | -   | 4,629   | 3,904              |
| Bank and interest charges           | -   | 735   | 620                |
| Other expenses                      | -   | 16,478 <sup>1</sup>                                     | 13,897             |
| <b>Total Expenses</b>               | <b>-</b>                                      | <b>2,091,244</b>  | <b>1,763,647</b>   |
| <b>NET INVESTMENT INCOME/(LOSS)</b> | <b>3</b>                                      | <b>(2,015,066)</b>                                      | <b>(1,699,400)</b> |

Distributions received during the reporting period from underlying investments were identified as capital repayment and reduced the cost of investments.

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

\*\* For the total of the Statement of Net Assets, which has been presented in Euro, assets and liabilities stated in currencies other than Euro have been converted at the following exchange rate ruling as at 30 June 2021: 1 Euro = 1.18575 US Dollar.

<sup>1</sup> Other expenses include amount relating to out of commitment expenses in DFW Capital Partners IV Continuation, L.P. (USD 16,449).

The notes on pages 19 to 21 form an integral part of these financial statements.

# Statement of Changes in Net Assets for the Period Ended 30 June 2021

|   | Schroder<br>GAIA II NGA<br>Turnaround*<br>USD | Schroder<br>GAIA II Specialist<br>Private Equity<br>USD | Total**<br>EUR     |
|---|---|---|--------------------|
| <b>NET INVESTMENT INCOME/(LOSS)***</b>                          | <b>3</b>                                      | <b>(2,015,066)</b>                                      | <b>(1,699,400)</b> |
| <b>Net realised gains/(losses)</b>                              |   |   |                    |
| on securities sold  | -   | 147,614   | 124,490            |
| on forward foreign exchange contracts                           | (115)   | -   | (97)               |
| on foreign exchange transactions                                | -   | (198,630)   | (167,514)          |
| <b>NET REALISED (LOSS)</b>                                      | <b>(115)</b>                                  | <b>(51,016)</b>   | <b>(43,121)</b>    |
| <b>Net change in unrealised appreciation/(depreciation)</b>     |   |   |                    |
| on investments  | (3,798)                                       | 18,520,375  | 15,615,920         |
| on forward foreign exchange contracts                           | (18)  | -   | (15)               |
| on foreign exchange transactions                                | 2   | (26,585)  | (22,418)           |
| <b>NET CHANGE IN UNREALISED APPRECIATION/(DEPRECIATION)</b>     | <b>(3,814)</b>                                | <b>18,493,790</b>                                       | <b>15,593,487</b>  |
| <b>NET CHANGE IN TOTAL NET ASSETS AS A RESULT OF OPERATIONS</b> | <b>(3,926)</b>                                | <b>16,427,708</b>                                       | <b>13,850,966</b>  |
| Net proceeds from issue of shares                               | -   | 119,606,670   | 100,870,057        |
| Payment for shares redeemed                                     | -   | (8,775,050)   | (7,400,422)        |
| <b>Increase/(Decrease) in Net Assets for the Period</b>         | <b>(3,926)</b>                                | <b>127,259,328</b>                                      | <b>107,320,601</b> |
| Net Assets at the beginning of the Period                       | 67,409  | 185,471,131   | 151,875,365        |
| Notional currency Adjustment****                                | -   | -   | 4,598,208          |
| <b>NET ASSETS AT THE END OF THE PERIOD</b>                      | <b>63,483</b>                                 | <b>312,730,459</b>                                      | <b>263,794,174</b> |
| <b>REALISED GAINS/(LOSSES) SPLIT*****</b>                       |   |   |                    |
| Realised gains on securities sold                               | -   | 147,614   | 124,490            |
| Realised (losses) on forward foreign exchange contracts         | (115)   | -   | (97)               |

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

\*\* For the total of the Statement of Net Assets, which has been presented in Euro, assets and liabilities stated in currencies other than Euro have been converted at the following exchange rate ruling as at 30 June 2021: 1 Euro = 1.18575 US Dollar.

\*\*\*Please see the Statement of Operations for the calculation of Net Investment Income/(Loss).

\*\*\*\*This adjustment reflects the difference between the opening balance using the exchange rate as at 31 December 2020 and the same net assets with the rate as at 30 June 2021.

\*\*\*\*\*The realised amounts shown in this table represent the sum of the net realised gains and losses at investment level for the financial period under review.

The notes on pages 19 to 21 form an integral part of these financial statements.

# Distribution of Investments by Industry

|  | Schroder GAIA II<br>NGA Turnaround*<br>% | Schroder GAIA II Specialist<br>Private Equity<br>% |
|--|--|--|
| <b>Bonds, Commercial Papers, Assets and Mortgage Backed Securities</b> | -  | 12.72  |
| <b>Other Securities</b>  |  |  |
| Agricultural Products  | -  | 1.79   |
| Aerospace & Defense  | -  | 1.12   |
| Application Software   | -  | 1.90   |
| Consumer Discretionary   | -  | 7.75   |
| Distributors   | -  | 3.18   |
| Electronic Equipment & Instruments                                     | -  | 2.16   |
| Environmental & Facilities Services                                    | -  | 0.36   |
| Food Distributors  | -  | 2.17   |
| Food Products  | -  | 2.49   |
| General  | -  | 5.87   |
| Health Care  | -  | 12.18  |
| Health Care Equipment  | -  | 0.24   |
| Health Care Equipment & Services                                       | -  | 1.76   |
| Health Care Services   | -  | 2.53   |
| Hypermarkets & Super Centers   | -  | 1.34   |
| Information Technology   | -  | 6.50   |
| Internet Software & Services   | -  | 3.16   |
| IT Consulting & Other Services   | -  | 5.31   |
| Multi-sector   | -  | 3.77   |
| Personal Products  | -  | 0.19   |
| Pharmaceuticals  | -  | 2.88   |
| Pharmaceuticals, Biotechnology & Life Sciences                         | -  | 2.89   |
| Software & Services  | -  | 1.31   |
| Trading Companies & Distributors                                       | -  | 1.61   |
| <b>Investments portfolio as a percentage of Net Assets</b>             | -  | <b>87.18</b>                                       |
| <b>Other Net Assets</b>  | <b>100.00</b>                            | <b>12.82</b>                                       |
| <b>Total Net Assets</b>  | <b>100.00</b>                            | <b>100.00</b>                                      |

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review. The notes on pages 19 to 21 form an integral part of these financial statements.

# Portfolio of Investments as at 30 June 2021

## Schroder GAIA II NGA Turnaround\*

| Number of shares<br>or Principal<br>Amount   | Transferable<br>Securities and Money<br>Market Instruments<br>Admitted to an Official<br>Exchange Listing | Market<br>Value<br>USD | % Net<br>Assets |
|--|---|------------------------|-----------------|
| <b>Equities - Long</b>   |   |                        |                 |
| <b>United States</b>   |   |                        |                 |
| 42,487   | Old PSG Wind-Down <sup>1</sup>  | -                      | -               |
| <b>Total Equities - Long</b>   |   | -                      | -               |
| <b>Total Transferable Securities and Money<br/>Market Instruments Admitted to an<br/>Official Exchange Listing</b> |   | -                      | -               |
| <b>Bonds - Long</b>  |   |                        |                 |
| <b>Canada</b>  |   |                        |                 |
| 1,005,000  | 1839688 Alberta ULC <sup>1</sup><br>21/07/22, 14.00%  | -                      | -               |
| <b>Total Bonds - Long</b>  |   | -                      | -               |
| <b>Total Transferable Securities and Money<br/>Market Instruments dealt on another<br/>Regulated Market</b>        |   | -                      | -               |
| <b>Total Investments</b>   |   | -                      | -               |
| <b>Other Net Assets</b>  |   | <b>63,483</b>          | <b>100.00</b>   |
| <b>Net Asset Value</b>   |   | <b>63,483</b>          | <b>100.00</b>   |

<sup>1</sup> Security is valued at its fair value under the direction of the Board of Directors.

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review. The notes on pages 19 to 21 form an integral part of these financial statements.



# Portfolio of Investments as at 30 June 2021 (cont)

## Schroder GAIA II Specialist Private Equity

| Investments in Investee funds                   |                   |                     |                             |              |
|---|-------------------|---------------------|-----------------------------|--------------|
| Description                                     | Commitment called | Uncalled commitment | Fair Value <sup>^</sup> USD | % Net Assets |
| Ampersand CF Limited Partnership                | 11,999,999        | 1                   | 12,464,059                  | 3.98         |
| BF Holding Partners, L.P.                       | 1,318,899         | -                   | 1,598,483                   | 0.51         |
| Butterfly Whisk Co-Invest-A, L.P.               | 6,182,000         | -                   | 6,182,000                   | 1.98         |
| Cadence Alpha GmbH                              | 4,581,946         | 13,045              | 7,915,357                   | 2.53         |
| Cimarron Continuation Fund, L.P.                | 5,518,033         | 481,967             | 5,518,033                   | 1.76         |
| Co-Investment (No. 1) AB                        | 593,995           | 3,116,096           | 1,111,284                   | 0.36         |
| Corcym Co-Investment                            | 763,469           | 148,238             | 741,187                     | 0.24         |
| Cortex 3, L.P.                                  | 3,793,903         | 1,906,612           | 9,008,633                   | 2.88         |
| DFW Capital Partners IV Continuation, L.P.      | 11,881,727        | 1,901,301           | 11,784,806                  | 3.77         |
| EPIC I-b Fund                                   | 6,978,576         | 933,438             | 6,774,912                   | 2.17         |
| GHRx II C.V.                                    | 2,099,529         | 4,765,032           | 2,272,722                   | 0.73         |
| Gyrus Capital Principal, L.P.                   | 2,960,723         | 3,354,399           | 3,676,985                   | 1.17         |
| Gyrus Co-Investment, L.P.                       | 3,486,795         | 2,845,351           | 4,428,629                   | 1.42         |
| Hg Vardos Co-Invest, L.P.                       | 8,007,273         | -                   | 9,869,654                   | 3.16         |
| Hony Ventures Fund I, L.P.                      | 7,380,651         | 2,619,349           | 14,342,923                  | 4.58         |
| Index SPV 1, L.P.                               | 6,000,000         | 2,000,000           | 6,000,000                   | 1.92         |
| LC Continued Fund IV, L.P.                      | 4,586,406         | 413,594             | 6,335,812                   | 2.03         |
| Loyal Valley Capital Advantage Fund II, L.P.    | 4,596,025         | 433,577             | 9,033,059                   | 2.89         |
| LVC Amusement, L.P.                             | 5,087,879         | -                   | 24,221,776                  | 7.75         |
| MED Platform I S.L.P. - Compartment 1           | 2,395,925         | 3,748,324           | 2,594,709                   | 0.83         |
| MED Platform I S.L.P. - Compartment 2           | 2,053,675         | 4,018,375           | 2,644,821                   | 0.85         |
| Motion Equity Partners III - Compartment A FPCI | 3,292,275         | 2,521,238           | 5,239,312                   | 1.68         |
| MPI-COI-NAMSA S.L.P.                            | 7,207,987         | 1,314,540           | 7,317,130                   | 2.34         |
| Novacap TMT V Co-Investment, L.P.               | 2,343,683         | 2,143,421           | 2,698,397                   | 0.86         |
| PS Co-Invest, L.P.                              | 5,034,483         | 93,722              | 5,225,378                   | 1.67         |
| Purple Garden Invest (D) AB                     | 4,234,277         | 1,828,533           | 4,100,967                   | 1.31         |
| RMF Holding Partners, L.P.                      | 2,780,898         | -                   | -                           | -            |
| SF Equity Partners Coinvest IC, L.P.            | 325,667           | -                   | 589,054                     | 0.19         |
| SF Equity Partners, L.P.                        | 1,916,249         | 1,083,751           | 2,636,999                   | 0.84         |
| Tikehau Growth Equity II                        | 1,906,365         | 660,398             | 1,639,916                   | 0.52         |
| Tikehau Growth Equity Secondary Fund Class A    | 2,639,537         | -                   | 2,519,234                   | 0.80         |

| Investments in Investee funds                |                    |                     |                             |              |
|--|--------------------|---------------------|-----------------------------|--------------|
| Description                                  | Commitment called  | Uncalled commitment | Fair Value <sup>^</sup> USD | % Net Assets |
| Tikehau Growth Equity Secondary Fund Class B | 62,332             | 419,182             | (3,560)                     | -            |
| WinIT Co-Invest GmbH & Co. KG                | 3,885,596          | -                   | 16,623,972                  | 5.31         |
| <b>Total Investments in Investee funds</b>   | <b>137,896,777</b> | <b>42,763,484</b>   | <b>197,106,643</b>          | <b>63.03</b> |

| Number of shares or Principal Amount   | Transferable Securities and Money Market Instruments Admitted to an Official Exchange Listing | Market Value USD | % Net Assets      |              |
|--|---|------------------|-------------------|--------------|
|  |   |                  | Bonds - Long      |              |
| <b>Ireland</b>   |   |                  | <b>21,020,890</b> | <b>6.72</b>  |
| 934  | Deutsche Managed DLLR   | 10,000,082       |                   | 3.20         |
| 940  | Goldman Sachs Funds PLC   | 10,020,776       |                   | 3.20         |
| 768,399  | HSBC GLF USD Liquidity C  | 1,000,032        |                   | 0.32         |
| <b>Luxembourg</b>  |   |                  | <b>18,601,904</b> | <b>5.95</b>  |
| 8,359  | Amundi MMKT-S/T USD   | 9,004,157        |                   | 2.88         |
| 84,360   | Morgan Stanley Liquidity Funds  | 9,597,747        |                   | 3.07         |
| <b>Total Bonds - Long</b>  |   |                  | <b>39,622,794</b> | <b>12.67</b> |
| <b>Total Transferable Securities and Money Market Instruments Admitted to an Official Exchange Listing</b> |   |                  | <b>39,622,794</b> | <b>12.67</b> |

| Number of shares or Principal Amount | Other Securities  | Commitment called | Market Value USD  | % Net Assets    |      |
|--------------------------------------|---|-------------------|-------------------|-----------------|------|
|                                      |   |                   |                   | Equities - Long |      |
| <b>Luxembourg</b>                    |   |                   | <b>12,447,700</b> | <b>3.95</b>     |      |
| 871,636                              | Columna Datamars S.à r.l. - Share Class A1                    | -                 | 1,140,962         |                 | 0.36 |
| 871,636                              | Columna Datamars S.à r.l. - Share Class A2                    | -                 | 1,140,962         |                 | 0.36 |
| 871,637                              | Columna Datamars S.à r.l. - Share Class A3                    | -                 | 1,140,962         |                 | 0.36 |
| 871,637                              | Columna Datamars S.à r.l. - Share Class B1                    | -                 | 1,140,962         |                 | 0.36 |
| 871,637                              | Columna Datamars S.à r.l. - Share Class B2                    | -                 | 1,140,962         |                 | 0.36 |
| 871,637                              | Columna Datamars S.à r.l. - Share Class B3                    | -                 | 1,140,962         |                 | 0.36 |
| 275,000                              | Schroder Adveq Europe Luxembourg IX S.à r.l. - Ordinary Share | -                 | 3,262             |                 | -    |
| 25,000                               | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class A  | -                 | 296               |                 | -    |

<sup>^</sup> The Fair value of each investment includes expenses made to obtain investment. The notes on pages 19 to 21 form an integral part of these financial statements.

# Portfolio of Investments as at 30 June 2021 (cont)

## Schroder GAIA II Specialist Private Equity (cont)

| Number of shares or Principal Amount  | Other Securities   | Commitment called | Market Value USD   | % Net Assets  |
|---------------------------------------|--|-------------------|--------------------|---------------|
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class B                           | -                 | 296                | -             |
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class C                           | -                 | 296                | -             |
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class D                           | -                 | 296                | -             |
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class E                           | -                 | 296                | -             |
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class F                           | -                 | 296                | -             |
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class G                           | -                 | 296                | -             |
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class H                           | -                 | 296                | -             |
| 25,000                                | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Class I                           | -                 | 296                | -             |
| -                                     | Schroder Adveq Europe Luxembourg IX S.à r.l. - Share Premium                           | -                 | 5,596,002          | 1.79          |
| <b>United states</b>                  |  |                   | <b>14,969,990</b>  | <b>4.79</b>   |
| 4,600,000                             | SCE Automation Supplies, LLC   | -                 | 5,023,550          | 1.61          |
| -                                     | Gainline Core Co-Investors, LLC  | 5,000,000         | 9,946,440          | 3.18          |
| <b>British Virgin Islands</b>         |  |                   | <b>4,874,739</b>   | <b>1.57</b>   |
| 249,777                               | Handy Cloud Limited  | -                 | 699,374            | 0.23          |
| 134,472                               | Robust Continent Limited   | -                 | 4,175,365          | 1.34          |
| <b>Denmark</b>                        |  |                   | <b>3,476,866</b>   | <b>1.12</b>   |
| 126,634                               | TPA Holding II A/S   | -                 | 3,476,866          | 1.12          |
| <b>Total Equities - Long</b>          |  |                   | <b>35,769,295</b>  | <b>11.43</b>  |
| <b>Convertible Bonds - Long</b>       |  |                   |                    |               |
| <b>Luxembourg</b>                     |  |                   | <b>148,238</b>     | <b>0.05</b>   |
| 12,500,000                            | Schroder Adveq Europe Luxembourg IX S.à r.l. Convertible Preferred Equity Certificates | -                 | 148,238            | 0.05          |
| <b>Total Convertible Bonds - Long</b> |  |                   | <b>148,238</b>     | <b>0.05</b>   |
| <b>Total Other Securities</b>         |  |                   | <b>35,917,533</b>  | <b>11.48</b>  |
| <b>Total Investments</b>              |  |                   | <b>272,646,970</b> | <b>87.18</b>  |
| <b>Other Net Assets</b>               |  |                   | <b>40,083,489</b>  | <b>12.82</b>  |
| <b>Net Asset Value</b>                |  |                   | <b>312,730,459</b> | <b>100.00</b> |

The notes on pages 19 to 21 form an integral part of these financial statements.

# Notes to the Financial Statements as at 30 June 2021

## The Company

The Company is an open-ended investment company organised as a “société anonyme” under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d’Investissement à Capital Variable (“SICAV”) under Part II of the Law of 17 December 2010 as amended and as an alternative investment fund within the meaning of article 1(39) of the 2013 Law. The exclusive objective of the Company is to place the funds available to it in transferable securities of any kind and other permitted assets, including derivatives and private equity assets, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios.

The investment strategy of each sub-fund is based on an alternative investment strategy which has been designed by each of the Investment Managers.

## Classes of Shares

A list of all sub-funds and Share Classes may be obtained free of charge from the registered office of the Company.

## Initial Charge

The Management Company and Distributors are entitled to an initial charge, which can be partly or fully waived at the Directors’ discretion.

| Sub-fund                                   | Share Classes                     | Initial Charge                            |
|--|-----------------------------------|---|
| Schroder GAIA II Specialist Private Equity | A1 Shares                         | Up to 3% of the Net Asset Value per Share |
|  | A, C*, E, I, IA, IB* and S Shares | No initial charge                         |

## Minimum Subscription Amount, Minimum Additional Subscription Amount and Minimum Holding Amount

In accordance with the provisions of the current prospectus, minimum amounts for subscription, additional subscription and holding are as follows:

| Sub-fund                                   | Share Classes             | Minimum Initial Subscription | Minimum Additional Subscription | Minimum Holding |
|--|---------------------------|------------------------------|---------------------------------|-----------------|
| Schroder GAIA II Specialist Private Equity | A, A1, C*, E and S Shares | USD 50,000                   | USD 25,000                      | USD 50,000      |
|  | I, IA and IB* Shares      | USD 5,000,000                | USD 2,500,000                   | USD 5,000,000   |

## Summary of Significant Accounting Policies

The financial statements are prepared and presented in accordance with generally accepted accounting principles in Luxembourg for investment funds on a going concern basis.

The sub-fund Schroder GAIA II NGA Turnaround\* is in liquidation at the balance sheet date and therefore is prepared on a non-going concern basis.

The application of the non-going concern basis of accounting has not lead to material adjustments to the sub-funds’ published net asset values.

## Net Asset Value

### Calculation of Net Asset Value per Share

The Net Asset Value per Share of each Share Class will be calculated on the calculation day in the currency of the relevant Share Class. It will be calculated by dividing the Net Asset Value attributable to each Share Class by the number of Shares of such Share Class then in issue. The resulting sum shall be rounded to the nearest two decimal places.

### Valuation of the Assets of the Company

The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely (in the view of the Company) to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.

The value of such securities, financial derivative instruments and assets will be determined on the basis of the prices at the close of market on the business day, on the stock exchange or any other Regulated Market on which these securities or assets are traded or admitted for trading. Where such securities or other assets are quoted or dealt in one or by more than one stock exchange or any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provisions of prices of securities or assets.

The financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company’s initiative. The reference to fair value shall be understood as a reference to the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm’s length transaction.

Investments in private equity funds will be valued by reference to the most recent Net Asset Value as reported by the relevant manager as adjusted for subsequent net capital activity.

A fair value adjustment may be made to the valuations received from the managers of the funds into which a Fund invests in the event of changes affecting underlying holdings. Changes may include, but are not limited to, FX movements, distributions, material changes in the circumstances of underlying companies or significant movements in public markets.

For Direct investments in private equity, the Company will establish its own estimate of fair value determined in good faith and in accordance with generally accepted valuation principles and procedures, and in particular the International Private Equity and Venture Capital Valuation guidelines (IPEV). The valuation methodology will be based on either (i) a market approach (based on the value of comparable entities, applying a multiple) (ii) an income approach based on the cash generated by the relevant entity (iii) a “milestone”, event driven approach, applicable to companies that will not generate income or cash flows for the foreseeable future or (iv) a combination of the aforementioned. Where a direct private equity investment is held alongside a sponsor, the sponsor’s valuation will be considered in the valuation process.

\* Please refer to the Directors’ Report for details of all corporate actions that occurred during the period under review.

# Notes to the Financial Statements as at 30 June 2021 (cont)

## Net Asset Value (cont)

In the quarter immediately following the purchase transaction, where the price of the investment is deemed to be the fair market value, a model will be created to arrive at an appropriate valuation. The difference between the valuation given by the model and the cost is assessed as the calibrated difference, and the factors driving the difference are analysed. This analysis is then revisited during subsequent valuations, which may drive fair value changes. The information for valuation assumptions is likely to be derived from, but not limited to, operating and financial performance, operating forecasts and budgets, credit and risk analysis, market data and leading benchmarks, macroeconomic data, governance or reputational circumstances.

Units or Shares in open-ended UCIs shall be valued on the basis of their last available Net Asset Value as reported by such UCIs.

Liquid assets and money market instruments may be valued at nominal value plus any accrued interest or on an amortised cost basis. All other assets, where practice allows, may be valued in the same manner.

## Fair Value Pricing

The Directors reserve the right to implement fair value pricing whenever they deem it appropriate.

As at 30 June 2021, the fair value adjustment was applied to the following securities:

| Sub-fund                         | Security name                        |
|----------------------------------|--------------------------------------|
| Schroder GAIA II NGA Turnaround* | 1839688 Alberta ULC 21/07/22, 14.00% |
|                                  | Old PSG Wind-Down                    |

## Taxation

In Luxembourg, the Company is not subject to taxation on its income, profits or gains. The Company is not subject to net wealth tax. No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The only tax to which the Company is subject is the 'taxe d'abonnement' at a rate of 0.05% per annum based on the Net Asset Value of each sub-fund at the end of the relevant quarter, calculated and paid quarterly.

In respect of any Share Class or sub-funds which comprises only institutional Investors (within the meaning of Article 174 of the Law of 17 December 2010 as amended), the tax levied will be at the rate of 0.01% per annum.

## Management Fees

The actual rates payable for the period under review are set out in the following table:

| Sub-fund                                   | Share Class     | Management Fee |
|--|-----------------|----------------|
| Schroder GAIA II Specialist Private Equity | A and A1 Shares | Up to 1.90%    |
|  | C Shares*       | 1.45%          |
|  | E Shares        | 1.20%          |
|  | I Shares        | None           |
|  | IA Shares       | Up to 1.20%    |
|  | IB Shares*      | None           |
|  | S Shares        | 1.20%          |

These fees may be partially waived at the discretion of the Management Company.

## Directors' Fees

Marie-Jeanne Chèvremont-Lorenzini, Bernard Herman and Eric Bertrand received a remuneration of EUR 10,083 each for the period under review. Hugh Mullan received a remuneration of EUR 8,000 for the period under review. The remaining directors have waived their remuneration.

## Redemption Fees

For Schroder GAIA II Specialist Private Equity a redemption fee of up to 5%, payable to the sub-fund, may be applicable at the discretion of the Directors from time to time, in the event that the sub-fund would need to make asset sales in the secondary market at a spread to meet redemption requests, to the detriment of the remaining Shareholders. Such redemption fee will be set in consideration of such spread and Shareholders who have submitted a request for redemption of Shares will be informed in a timely manner of the applicable redemption fee.

## Cash Collateral Reinvestment

For the purpose of counterparty risk mitigation, sub-funds with currency hedging transactions related to hedged Share Classes will pay or receive cash collateral on a daily basis from the counterparty, thus reducing their exposure over the duration of the forward contract.

Investment Managers may reinvest the cash collateral they receive from their counterparty in connection with currency hedging.

Collateral receivable or payable at the maturity date of the forward contracts are shown in the Statement of Net Assets as 'Hedged Currency Class Forward Contract Collateral Receivable/Payable'. Collateral calls receivable or payable are shown in the Statement of Net Assets as 'Net Hedged Currency Class Forward Contract Collateral Calls Receivable/Payable'.

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

# Notes to the Financial Statements as at 30 June 2021 (cont)

## Forward Foreign Exchange Contracts

Outstanding forward foreign exchange contracts were valued at the last available price at NAV Calculation Day, by reference to the forward rate of exchange applicable to the maturity of the relevant contract. The unrealised appreciation/(depreciation) is shown in the Statement of Net Assets under 'Unrealised appreciation/(depreciation) on forward foreign exchange contracts'.

On 30 June 2021, the sub-fund was committed to the following forward foreign exchange contracts:

| Currency Bought                         |       | Currency Sold |       | Maturity Date | Unrealised Appreciation/ (Depreciation) |             |
|---|-------|---------------|-------|---------------|---|-------------|
| <b>Schroder GAIA II NGA Turnaround*</b> |       |               |       |               |   |             |
| Shareclass Hedging                      |       |               |       |               |   |             |
| EUR                                     | 3,233 | USD           | 3,861 | 30-Jul-2021   | (26)                                    |             |
| GBP                                     | 110   | USD           | 154   | 30-Jul-2021   | (1)                                     |             |
|   |       |               |       |               | <b>USD</b>                              | <b>(27)</b> |

## Forward Foreign Exchange Contracts Counterparty

The forward foreign exchange contracts were related to the following Counterparty:

| Sub-fund                                | Counterparty | Unrealised Appreciation/ (Depreciation) |
|---|--------------|---|
| <b>Schroder GAIA II NGA Turnaround*</b> |              |   |
|   | HSBC         | (27)                                    |
|   |              | <b>USD</b>                              |
|   |              | <b>(27)</b>                             |

## Formation Expenses

The expenses of establishing the sub-fund including printing costs, travel, legal fees and other costs associated with the setting up of the sub-funds are amortised over a period not exceeding five years.

## Collateral Receivable for Collateral Paid

As at 30 June 2021, the amount of collateral receivable for collateral paid held by HSBC, amounted to USD 10,000 (EUR 8,434).

## Disclosure of Transaction Costs

The transaction costs are broker commission fees and taxes related to the purchase and sale of transferable securities. Bond Funds will generally show the figure of zero as the broker commission fees are included in the spread, which is excluded from the calculation pursuant to Annex I, Schedule B, Chapter V of Directive 2009/65/EC of the European Parliament. The transaction costs part of the acquisition cost/ sale price of the related assets and the Custodian transaction costs are not included in this disclosure.

There were no transaction costs incurred during the reporting period.

## Liquidity risk

The Management Company has established a liquidity risk process to assess and monitor the liquidity risk profile of a Fund on an on-going basis. This includes a liquidity stress test scenario combining a strong reduction in the market liquidity with large outflows. Due to the lack of publicly available data on trading volumes for fixed income securities, the monitoring relies partly on an internal model to assess market liquidity.

Private equity investments are often illiquid long-term investments that do not display the liquidity or transparency characteristics often found in other investments (e.g. listed securities).

Securities or other financial assets that the sub-fund may invest into may be difficult to sell. The eventual liquidity of all investments will depend on the success of any realisation strategy proposed. Such strategies could be adversely affected by a variety of factors. There is a risk that the Fund may be unable to realise its investment objectives by sale or other disposal at attractive prices or at the appropriate times or in response to changing market conditions, or will otherwise be unable to complete a favourable exit strategy. Losses may be realised before gains on disposals. The return of capital and the realization of gains, if any, will generally occur only upon the partial or complete disposal of an investment.

## Exchange Rate

The exchange rate used for the calculation of the combined total in EUR of the financial statements as at 30 June 2021:

1 Euro = 1.18575 US Dollar

## Subsequent Events

On 28 July 2021 the liquidation of Schroder GAIA II NGA Turnaround was completed.

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.

# Total Expense Ratio (the “TER”) for the Period Ended 30 June 2021

| Share class       | Schroder GAIA II Specialist Private Equity |
|-------------------|--|
| Class A Acc       | 2.47%                                      |
| Class A Acc EUR   | 2.50%                                      |
| Class A1 Acc      | 2.51%                                      |
| Class A1 Acc EUR  | 2.46%                                      |
| Class C Acc       | 2.03%                                      |
| Class C Acc CHF   | 2.04%                                      |
| Class C Acc EUR   | 2.05%                                      |
| Class C Acc GBP*  | -  |
| Class E Acc       | 1.77%                                      |
| Class I Acc       | 0.25%                                      |
| Class I Acc AUD   | 0.27%                                      |
| Class IA Acc      | 1.45%                                      |
| Class IA Acc CHF  | 1.45%                                      |
| Class IA Acc EUR  | 1.45%                                      |
| Class IB Acc      | 0.25%                                      |
| Class IB Acc EUR* | 0.30%                                      |
| Class S Acc       | 1.54%                                      |

\* Please refer to the Directors’ Report for details of all corporate actions that occurred during the period under review. Stock borrowing charges, out of commitment expenses and transactions costs do not form part of the sub-funds operational charges and are therefore not included within the TER.

# Appendix I - Fund Performance as at 30 June 2021

| Sub-fund  | Share Class            | Since Launch % |
|---|------------------------|----------------|
| <b>Schroder GAIA II NGA Turnaround*</b>           |                        |                |
| (Launch Date: 02/03/2016)                         | Class A Acc            | 148.80%        |
|   | Class A Acc EUR Hedged | 125.33%        |
|   | Class C Acc            | 164.63%        |
|   | Class C Acc EUR Hedged | 129.64%        |
|   | Class C Acc GBP Hedged | 142.51%        |
|   | Class C Dis GBP Hedged | 142.51%        |
|   | Class E Acc            | 164.23%        |
|   | Class E Acc EUR Hedged | 141.91%        |
|   | Class E Dis GBP Hedged | 150.13%        |
|   | Class I Acc            | 211.66%        |
| <b>Schroder GAIA II Specialist Private Equity</b> |                        |                |
| (Launch Date: 30/09/2019)                         | Class A Acc            | 50.86%         |
|   | Class A Acc EUR        | 42.51%         |
|   | Class A1 Acc           | 30.53%         |
|   | Class A1 Acc EUR       | 35.29%         |
|   | Class C Acc            | 52.01%         |
|   | Class C Acc CHF        | 45.00%         |
|   | Class C Acc EUR        | 38.15%         |
|   | Class C Acc GBP*       | -              |
|   | Class E Acc            | 52.68%         |
|   | Class I Acc            | 56.72%         |
|   | Class I Acc AUD        | 29.58%         |
|   | Class IA Acc           | 53.53%         |
|   | Class IA Acc CHF       | 45.95%         |
|   | Class IA Acc EUR       | 40.57%         |
|   | Class IB Acc           | 54.45%         |
|   | Class IB Acc EUR*      | 2.16%          |
|   | Class S Acc            | 53.28%         |

The term "Since Launch" means the launch date of the sub-fund. Past performance is not a reliable indicator of future results, prices of units and the income from them may fall as well as rise and investors may not get back the amount originally invested.

\* Please refer to the Directors' Report for details of all corporate actions that occurred during the period under review.



EST. 1804

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