

Schroder GAIA II Semi-Annual Report

31 March 2017

Luxembourg



Schroders

Schroder GAIA II

Société d'Investissement à Capital Variable (SICAV)

Semi-Annual Report

31 March 2017

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 annual report or semi-annual report if published thereafter. This report is based on the current prospectus.

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

Schroder GAIA II	7
Board of Directors	8
Administration	9
Directors' Report	10
Investment Manager's Report	11
Notes to the Financial Statements	12
Statement of Net Assets	16
Distribution of Investments by Industry	18
Portfolio of Investments	
Schroder GAIA II NGA Turnaround	19
Appendix I - TER	21

Schroder GAIA II

The Company

Schroder GAIA II (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') 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 October 2016 to 31 March 2017. 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 31 March 2017, the last working day of the period under review. At the date of this report, one fund is available for investment within the Company (the 'Fund').

Please refer to the current prospectus for the investment objectives of the Fund as well as details of investment restrictions. The Investment Manager's report for the Fund can be found in the quarterly investment reports, which can be obtained from the Company's registered office and is also available on the website of Schroder Investment Management (Luxembourg) 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 (Luxembourg) 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 Hohenhof, 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 (Luxembourg) 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 ('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
Shackleton Residence
Ta' Xbiex Seafront
XBX 1027 Ta' Xbiex, Malta

Directors

— **Mike Champion**
Head of Product Development
Schroder Investment Management Limited
31, Gresham Street
London EC2V 7QA, United Kingdom

— **Marie-Jeanne Chevrement-Lorenzini**
Independent Director
19, rue de Bitbourg
1273 Luxembourg, Grand Duchy of Luxembourg

— **Daniel de Fernando Garcia**
Independent Director
Serrano 1
28001 Madrid, Spain

— **Bernard Herman**¹
Independent Director
11-13, rue de Fischbach
3372 Leudelange, Grand Duchy of Luxembourg

— **Achim Kuessner**
Country Head Germany, Austria & CEE
Schroder Investment Management GmbH
Taunustor 1
60310 Frankfurt, Germany

— **Ketil Petersen**²
Country Head Nordic Region
Schroders Denmark Filial af Schroder Investment Management (Luxembourg) S.A.
Store Strandstraede 21
1255 Copenhagen K, Denmark

— **Claude Kremer**³
Partner
Arendt & Medernach
41A, avenue J.F. Kennedy
2082 Luxembourg, Grand Duchy of Luxembourg

¹ Bernard Herman was appointed to the Board of Directors on 18 November 2016.

² Ketil Petersen resigned from the Board of Directors on 7 April 2017.

³ Claude Kremer resigned from the Board of Directors on 31 December 2016.

Administration

Registered Office

5, rue Höhenhof, 1736 Senningerberg, Grand Duchy of Luxembourg

Management Company, Domiciliary Agent, Principal Paying Agent, Registrar and Transfer Agent**Schroder Investment Management (Luxembourg) S.A.**

5, rue Höhenhof, 1736 Senningerberg, 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

Auditor**PricewaterhouseCoopers, Société coopérative**

2, rue Gerhard Mercator, B.P.1443, 1014 Luxembourg, Grand Duchy of Luxembourg

Investment Manager**New Generation Advisors LLC**

13 Elm Street, Suite 2, Manchester MA 01944, United States

Directors' Report

Introduction

The directors of the Company submit their report and the financial statements for the period ending 31 March 2017.

Activities during the period

On 31 March 2017, the total net assets of the Company were EUR 16,292,279 compared to EUR 10,621,929 on 30 September 2016, representing an increase of 53.38%.

The Board of Directors

Schroder GAIA II
31 March 2017

Investment Manager's Report

Economic review

The start of the period was dominated by the US presidential election and the surprise victory of Donald Trump. Investors largely welcomed Trump's plans to cut taxes, boost infrastructure spending, and reduce regulation. This pro-growth agenda helped to shift the global policy discussion away from a sole reliance on monetary stimulus. This acted as a spur to inflation expectations that were already buoyed by the modestly improved global growth outlook since summer 2016. However, the failure at the end of the period to pass revisions to healthcare legislation planted some doubts about the administration's ability to implement some of its policies.

US economic data was generally strong, particularly with regards to employment. The Federal Reserve (Fed) raised interest rates in December 2016 and again in March 2017, reflecting the improved outlook for growth and inflation.

The European Central Bank (ECB) extended its quantitative easing programme to December 2017 (from March 2017) but cut monthly bond purchases to €60 billion from €80 billion. The European economy continued its slow recovery. Inflation, as measured by the consumer price index, picked up to 2.0% in February 2017, albeit slipping back to 1.5% in March.

Political uncertainty remained to the fore in Europe. Matteo Renzi stepped down as Italian prime minister after losing a referendum on constitutional change. Political concerns receded somewhat as the centre-right won the Dutch elections in March, fending off the challenge from the anti-EU party led by Geert Wilders.

In the UK, economic growth remained strong with consumer spending proving resilient. Sterling started the period on a weak footing, falling sharply in early October following Prime Minister Theresa May's rhetoric concerning a "hard Brexit". The currency recouped some of its losses after the Bank of England upgraded UK growth projections, the High Court ruled parliamentary approval was required to start the EU exit process and the government struck a more conciliatory tone over Brexit.

In Japan, the yen weakened sharply at the end of 2016, only to strengthen in the early part of 2017. The Bank of Japan maintained its policy to keep 10-year bond yields around zero.

In emerging markets, uncertainty around a potential change to US trade policy was a theme of the period. There were concerns around the protectionist rhetoric used by Donald Trump in his campaign. However, there was no immediate follow through on this in the first months of the new administration.

Elsewhere, late 2016 saw a recovery in energy and commodity prices which was beneficial for a number of emerging market economies. An OPEC oil production deal in late November was positive for investor sentiment. Together with a subsequent agreement between non-OPEC producers to cut supply in December, this helped deliver a significant boost to oil prices. However, oil prices fell back towards the end of the six months as inventories and production in the US increased faster than expected.

Equity markets

Global equities delivered positive performance over the six-month period with the MSCI World returning 8.6%¹. Markets started on a somewhat uncertain footing ahead of the US election, with negative returns in October. However, the victory for Donald Trump saw equities gain amid expectations for higher growth and inflation. This "reflation trade" particularly boosted shares of financials and other more economically-sensitive parts of the market, which had previously been out of favour. Value stocks – those seen as undervalued relative to their fundamentals – performed strongly at the end of 2016. Meanwhile, "bond proxy" type firms – stable businesses with attractive dividends – tended to underperform. However, this market rotation slowed at the start of 2017.

Regionally, US equities were supported by generally robust economic data. Eurozone equities drew particular support from expectations of a higher interest rate environment globally, which would lift some pressure from the region's banks. Japanese equities saw very strong performance over the six months but nearly all of this came amid the yen weakness in late 2016. Emerging markets posted a positive return but lagged developed markets. This was partly due to fears over changes to US trade policy, though these dissipated somewhat in early 2017. Higher commodity prices benefited Latin American markets.

The Investment Managers

Schroder GAIA II
31 March 2017

¹ Source: DataStream, MSCI World total return in US dollars.

Notes to the Financial Statements as at 31 March 2017

The Company

Schroder GAIA II (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") and as an alternative investment fund within the meaning of article 1(39) of the 2013 Law.

Classes of Shares

A list of all 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.

Share Classes	Initial Charge
A Shares	Up to 3.09% of the Net Asset Value per Share
C and E Shares	Up to 1.01% of the Net Asset Value per Share
I Shares	No initial charge

Distribution Charge

As at the date of this report, there is no distribution charge on any of the classes of shares available for investment within the Company.

Swing Pricing

A Fund may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Fund. In order to counter this impact, a Swing Pricing mechanism may be adopted to protect the interests of the Shareholders of the Fund.

This will mean that in certain circumstances the Management Company will make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The net flow will be determined by the Management Company based on the latest available information at the time of calculation of the Net Asset Value per Share. The extent of the price adjustment will be set by the Management Company to reflect dealing and other costs. Such adjustment may vary from Fund to Fund and will not exceed 2% of the original Net Asset Value per Share.

The mechanism has been implemented for Schroder GAIA II NGA Turnaround since its inception.

On 31 March 2017, the last calculation day of the period under review, a swing pricing adjustment was not applied to Schroder GAIA II NGA Turnaround.

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:

Share Classes	Minimum Initial Subscription	Minimum Additional Subscription	Minimum Holding
A Shares	USD 25,000	USD 12,500	USD 25,000
C and E Shares	USD 500,000	USD 250,000	USD 500,000
I Shares	USD 5,000,000	USD 2,500,000	USD 5,000,000

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.

Notes to the Financial Statements as at 31 March 2017 (cont)

Net Asset Value (cont)

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.

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

As at the date of this report, fair value pricing is not being applied to the Fund. The Directors, however, reserve the right to implement fair value pricing whenever they deem it appropriate.

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 Fund at the end of the relevant quarter, calculated and paid quarterly.

In respect of any Share Class or 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.

Changes in the Funds

A list specifying the total purchases and sales, which took place during the period under review, may be obtained free of charge upon request at the Company's registered office.

Management Fees

The actual rates payable as at 31 March 2017, are set out in the following table:

Fund	Share Class	Management Fee
Schroder GAIA II NGA Turnaround	A Shares	2.00%
	C Shares	1.25%
	E Shares	1.00%
	I Shares	None

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

Directors' Fees

Marie-Jeanne Chevrement and Daniel de Fernando Garcia received a remuneration of EUR 8,333 each for the period under review. Bernard Herman received a remuneration of EUR 6,879 for the period under review. The remaining directors have waived their remuneration.

Notes to the Financial Statements as at 31 March 2017 (cont)

Performance Fees

The performance fee becomes due in the event of outperformance, that is if the increase in the Net Asset Value per Share during the relevant performance period exceeds the High Water Mark, i.e. by reference to the highest Net Asset Value per Share at the end of any previous performance period (the High Water Mark).

A Share Class performance fee is accrued on that Business Day and reflected in the Net Asset Value of each such Share Class on the following Calculation Day, by applying the relevant multiplier to the excess of the relevant Net Asset Value per Share determined on the same Calculation Day (before deduction of any performance fee paid or payable in respect of that Performance Period); less the higher of the High Water Mark and the Benchmark on that Calculation Day.

The performance fee is 20% of the outperformance for A and C shares and 15% of the outperformance for E shares. No performance fee is calculated for I Shares.

Details of performance fees calculations for the financial period under review are shown in the table below. Further details of the calculation of performance fees can be found in the current prospectus.

Fund	Investment Manager	Benchmark
Schroder GAIA II NGA Turnaround	New Generation Advisors LLC	BBA Libor USD 3 Month Act 360
Schroder GAIA II NGA Turnaround EUR Hedged	New Generation Advisors LLC	BBA Libor EUR 3 Month Act 360
Schroder GAIA II NGA Turnaround GBP Hedged	New Generation Advisors LLC	BBA Libor GBP 3 Month Act 365

Cash Collateral Reinvestment

For the purpose of counterparty risk mitigation, 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.

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 31 March 2017, the Fund was committed to the following forward foreign exchange contracts:

Currency Bought		Currency Sold		Maturity Date	Unrealised (Depreciation)
Schroder GAIA II NGA Turnaround					
Shareclass Hedging					
EUR	34,000	USD	36,939	12-Apr-2017	(656)
EUR	2,400	USD	2,607	12-Apr-2017	(46)
GBP	34,400	USD	43,278	27-Apr-2017	(155)
GBP	2,400	USD	3,019	27-Apr-2017	(11)
USD					(868)

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

Forward Foreign Exchange Contracts Counterparties

Fund	Counterparty	Unrealised (Depreciation)
Schroder GAIA II NGA Turnaround	Bank of America	(57)
	HSBC	(811)
	USD	(868)

Notes to the Financial Statements as at 31 March 2017 (cont)

Formation Costs

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

Disclosure of Transaction Costs

The transaction costs are broker commission fees and taxes related to the purchase and sale of transferable securities. The transaction costs are shown gross of the corresponding elements of the swing pricing factors that were applied when net flows in a Fund exceeded 1% on any business day during the period under review. 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. Custodian transactions cost are not included in this table.

The transactions costs for the period under review were as follows:

Fund	Currency	Commissions	Other expenses	Total
Schroder GAIA II NGA Turnaround	USD	11,864	113	11,977

Exchange Rate

The exchange rate used for the calculation of the combined total in EUR of the Financial Statements as at 31 March 2017 is:
1 Euro = 1.06680 US Dollar.

Subsequent Events

As at the date of the approval of the Financial Statements, there were no significant subsequent events.

Statement of Net Assets as at 31 March 2017

	Schroder GAIA II NGA Turnaround USD	Total * EUR
ASSETS		
Investments		
Securities at cost	11,076,022	10,382,473
Unrealised appreciation/(depreciation) **	819,121	767,830
Securities at Market Value	11,895,143	11,150,303
Unrealised appreciation/(depreciation) ** on forward foreign exchange contracts	(868)	(814)
	(868)	(814)
Receivables for securities sold	104,829	98,266
Cash at banks	4,836,964	4,534,087
Broker Margin Account	2,594,665	2,432,194
Receivables for subscriptions	437,258	409,878
Dividends and interest receivable	173,132	162,291
Formation expenses	111,864	104,859
TOTAL ASSETS	20,152,987	18,891,064
LIABILITIES		
Investments		
Securities sold short, proceeds received	2,288,540	2,145,238
Unrealised appreciation/(depreciation) **	(21,753)	(20,391)
Securities at Market Value	2,266,787	2,124,847
Payables for securities bought	312,591	293,018
Payables for redemptions	4,144	3,885
Management fees payable	3,065	2,873
Performance fees payable	21,586	20,234
Dividends and interest payable	24,621	23,079
Other payables and accruals	139,590	130,849
TOTAL LIABILITIES	2,772,384	2,598,785
TOTAL NET ASSETS	17,380,603	16,292,279
UNREALISED APPRECIATION/(DEPRECIATION) SPLIT		
Unrealised appreciation on investments	2,273,182	2,130,842
Unrealised (depreciation) on investments	(1,432,308)	(1,342,621)
Unrealised (depreciation) on forward foreign exchange contracts	(868)	(814)

* 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 rates ruling as at 31 March 2017: 1 Euro = 1.06680 US Dollar.

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

The notes on pages 12 to 15 form an integral part of these financial statements.

Statement of Net Assets as at 31 March 2017 (cont)

Schroder GAIA II NGA Turnaround

USD

Net Asset Value

as at 31 March 2017

17,380,603

Shares outstanding

as at 31 March 2017

Class A Acc	15
Class C Acc	8,787
Class E Acc	25,177
Class I Acc	100,015
Class A Acc EUR Hedged	100
Class C Acc EUR Hedged	100
Class E Acc EUR Hedged	100
Class C Acc GBP Hedged	100
Class C Dis GBP Hedged	100
Class E Dis GBP Hedged	100

Net Asset Value per Share *

as at 31 March 2017

Class A Acc	122.10
Class C Acc	121.73
Class E Acc	124.54
Class I Acc	130.87
Class A Acc EUR Hedged	120.21
Class C Acc EUR Hedged	120.99
Class E Acc EUR Hedged	122.76
Class C Acc GBP Hedged	121.96
Class C Dis GBP Hedged	121.96
Class E Dis GBP Hedged	123.72

* The Net Asset Value per Share of each share class is stated in the currency of the share class.

The notes on pages 12 to 15 form an integral part of these financial statements.

Distribution of Investments by Industry

	Schroder GAIA II NGA Turnaround
	%
Bonds, Commercial Papers, Assets and Mortgage Backed Securities	30.24
Other Securities	
Airlines	1.15
Biotechnology	0.25
Building Materials	1.68
Chemicals	0.88
Coal	(1.24)
Commercial Services	2.27
Distribution & Wholesale	0.41
Diversified Financial Services	0.71
Electric	0.66
Environmental Control	0.08
Forest Products & Paper	(0.36)
Healthcare - Services	(0.29)
Home Builders	1.44
Insurance	2.83
Internet	0.36
Leisure Time	0.34
Lodging	0.50
Media	1.34
Oil & Gas	5.41
Oil & Gas Services	0.78
Retail	(1.72)
Sovereign	1.86
Telecommunications	2.65
Transportation	3.17
Investments portfolio as a percentage of Net Assets	55.40
Other Net Assets	44.60
Total Net Assets	100.00

Portfolio of Investments as at 31 March 2017

Schroder GAIA II NGA Turnaround

Number of shares or Principal Amount	Transferable Securities and Money Market Instruments Admitted to an Official Exchange Listing	Market Value USD	% Net Assets	Number of shares or Principal Amount	Transferable Securities and Money Market Instruments Admitted to an Official Exchange Listing	Market Value USD	% Net Assets
Equities - Long				South Africa			
				(9,173)	Sappi	(62,308)	(0.36)
Bermuda		40,227	0.23	United States			
19,623	Teekay Tankers	40,227	0.23	(3,123)	Arch Coal	(215,299)	(1.23)
Canada		43,521	0.25	(9,013)	Barnes & Noble	(83,370)	(0.48)
26,700	Concordia International	43,521	0.25	(8,347)	Bon-Ton Stores	(7,012)	(0.04)
France		29,605	0.17	(9,391)	Container Store Group	(39,724)	(0.23)
65,789	Sanofi	29,605	0.17	(4,042)	Diamond Offshore Drilling	(67,542)	(0.39)
Greece		154,148	0.89	(4,469)	Gulfmark Offshore	(1,565)	(0.01)
9,562	DryShips	15,777	0.09	(20,837)	Iridium Communications	(201,077)	(1.15)
7,742	Star Bulk Carriers	91,975	0.53	(6,399)	Laureate Education	(91,314)	(0.53)
9,686	Tsakos Energy Navigation	46,396	0.27	(5,200)	Pier 1 Imports	(37,232)	(0.21)
Hong Kong		29,554	0.17	(9,408)	Quorum Health	(51,180)	(0.29)
139,200	Pacific Basin Shipping	29,554	0.17	(5,709)	Rowan Cos	(88,946)	(0.51)
Japan		147,653	0.85	(11,452)	Sears Holdings	(131,583)	(0.76)
4,662	Japan Airlines	147,653	0.85	Total Equities - Short			
Norway		69,526	0.40	(1,168,895) (6.71)			
20,873	American Shipping	69,526	0.40	Bonds - Long			
Spain		63,027	0.36	Brazil			
18,936	eDreams ODIGEO	63,027	0.36	340,000	Samarco Mineracao 01/11/22, 4.13%	223,550	1.29
United States		4,429,796	25.48	Luxembourg			
1,215	American Airlines Group	51,395	0.30	850,000	Intelsat Luxembourg 01/06/21, 7.75%	514,250	2.96
42,100	Approach Resources	105,671	0.61	United States			
20,461	Bill Barrett	93,098	0.54	350,000	Bonanza Creek Energy 15/04/21, 6.75%	283,499	1.63
7,782	BlueLinx Holdings	70,816	0.41	100,000	Bonanza Creek Energy 01/02/23, 5.75%	80,500	0.46
12,841	Builders FirstSource	191,331	1.10	15,000	Bristow Group 15/10/22, 6.25%	12,150	0.07
9,102	Caesars Entertainment	86,924	0.50	385,000	FirstEnergy Solutions 15/08/21, 6.05%	148,225	0.85
7,583	Cengage Learning Holdings II	123,224	0.71	145,000	iHeartCommunications 01/03/21, 9.00%	110,744	0.64
71,517	Civeo	213,836	1.23	85,000	Natural Resource Partners/NRP Finance 01/10/18, 9.13%	86,488	0.50
21,020	FairPoint Communications	348,932	2.01	Total Bonds - Long			
23,967	Federal Home Loan Mortgage	149,794	0.86	1,459,406 8.40			
24,067	Federal Home Loan Mortgage	59,686	0.34	Bonds - Short			
24,872	Federal National Mortgage Association	64,667	0.37	Brazil			
26,376	Federal National Mortgage Association	173,818	1.00	(205,000)	Petrobras Global Finance 20/05/23, 4.38%	(194,750)	(1.12)
29,358	Genworth Financial	120,955	0.70	United States			
141,725	Globalstar	226,760	1.30	(40,000)	Everi Payments 15/01/22, 10.00%	(41,700)	(0.24)
13,774	Hornbeck Offshore Services	61,019	0.35	(265,000)	Transocean 15/11/20, 6.50%	(268,974)	(1.54)
10,022	International Seaways	191,621	1.10	(155,000)	Whiting Petroleum 15/03/21, 5.75%	(154,225)	(0.89)
7,406	Linn Energy	214,774	1.24	Total Bonds - Short			
6,703	M/I Homes	164,224	0.94	(659,649) (3.79)			
16,317	MPM Holdings	153,380	0.88	Total Transferable Securities and Money Market Instruments Admitted to an Official Exchange Listing			
66,296	NII Holdings	86,185	0.50	4,637,919 26.70			
24,795	Overseas Shipholding Group	95,709	0.55	Number of shares or Principal Amount			
72,516	Performance Sports Group	59,826	0.34	Transferable Securities and Money Market Instruments dealt on another Regulated Market			
5,082	Ply Gem Holdings	100,115	0.58	Market Value USD			
38,059	Radio One	125,595	0.72	% Net Assets			
18,221	Sanchez Energy	173,828	1.00	Equities - Long			
21,938	SandRidge Energy	405,633	2.32	United States			
3,170	Seventy Seven Energy	135,454	0.78	2	Ambac Assurance	16,000	0.09
12,667	Travelport Worldwide	149,091	0.86	1	Ambac Assurance	8,000	0.05
7,770	tronc	108,158	0.62	5	Ambac Assurance	40,000	0.23
7,021	Vistra Energy	114,442	0.66	9	Ambac Assurance	72,000	0.41
6,783	WMIH	9,835	0.06	10	Ambac Assurance	80,000	0.46
Total Equities - Long		5,007,057	28.80	6	Ambac Assurance	48,000	0.28
Equities - Short				12	Ambac Assurance	96,000	0.55
Norway		(90,743) (0.52)					
(6,173)	Ship Finance International	(90,743)	(0.52)				

The notes on pages 12 to 15 form an integral part of these financial statements.

Portfolio of Investments as at 31 March 2017 (cont)

Schroder GAIA II NGA Turnaround (cont)

Number of shares or Principal Amount	Transferable Securities and Money Market Instruments dealt on another Regulated Market	Market Value USD	% Net Assets
United States (cont)			
12,497	Hovnanian Enterprises	87,479	0.50
Total Equities - Long		447,479	2.57
Bonds - Long			
Canada			
160,000	Concordia International 01/04/22, 9.00%	116,200	0.67
615,000	Concordia International 21/10/22, 9.50%	138,375	0.80
520,000	Concordia International 15/04/23, 7.00%	102,700	0.59
680,000	Essar Steel Algoma 15/11/19, 9.50%	79,900	0.46
Luxembourg		247,710	1.43
236,000	Intelsat Connect Finance 01/04/22, 12.50%	211,810	1.22
40,000	Intelsat Connect Finance 01/04/22, 12.50%	35,900	0.21
Monaco		183,825	1.06
215,000	Navios Maritime Holdings/Navios Maritime Finance II US 15/01/22, 7.38%	183,825	1.06
United Kingdom		440,125	2.53
90,000	Algeco Scotsman Global Finance 15/10/18, 8.50%	86,063	0.50
225,000	Algeco Scotsman Global Finance 15/10/19, 10.75%	195,187	1.12
410,000	Seadrill 15/09/20, 6.63%	158,875	0.91
United States		3,464,326	19.93
255,000	Affinion Group 15/12/18, 7.88%	225,994	1.30
205,000	Armstrong Energy 15/12/19, 11.75%	116,081	0.67
538,636	Bruce Mansfield Unit 1 2007 Pass Through Trust 01/06/34, 6.85%	179,770	1.03
275,000	Caesars Entertainment Operating 01/02/16, 10.75%	301,125	1.74
340,000	Cumulus Media Holdings 01/05/19, 7.75%	120,700	0.69
135,000	Energy Future Holdings 15/11/24, 6.50%	14,850	0.09
335,000	Goodman Networks 01/07/18, 12.13%	137,350	0.79
125,000	iHeartCommunications 01/03/21, 11.25%	98,750	0.57
160,000	Jo-Ann Stores Holdings 15/10/19, 9.75%	155,200	0.89
150,000	K Hovnanian Enterprises 01/11/19, 8.00%	124,125	0.71
140,000	K Hovnanian Enterprises 15/11/20, 9.13%	115,850	0.67
395,000	Memorial Production Partners/Memorial Production Finance 01/05/21, 7.63%	150,100	0.86
225,000	MGIC Investment 01/04/63, 9.00%	292,500	1.68
135,000	Momentive Performance Materials 24/04/22, 4.69%	123,863	0.71
430,000	Pacific Drilling 01/06/20, 5.38%	211,775	1.22
85,000	Peabody Energy 15/11/18, 6.00%	22,100	0.13
320,000	Peabody Energy 15/09/20, 6.50%	83,200	0.48
260,000	Peabody Energy 15/11/21, 6.25%	67,600	0.39
230,000	Peabody Energy 15/03/22, 10.00%	156,400	0.90
285,000	Peabody Energy 15/12/41, 4.75%	14,250	0.08
125,000	Permian Resources/AEPB Finance 01/11/20, 7.13%	101,875	0.59
235,000	Rex Energy 01/10/20, 1.00%	122,200	0.70
90,000	SunEdison 01/01/21, 2.75%	1,350	0.01
460,000	SunEdison 15/04/22, 2.38%	6,900	0.04
600,000	SunEdison 01/06/23, 2.63%	9,000	0.05
1,065,000	SunEdison 01/06/25, 3.38%	15,975	0.09
65,000	Ultra Petroleum 15/12/18, 5.75%	45,825	0.26
75,000	Vanguard Natural Resources/VNR Finance 01/04/20, 7.88%	45,750	0.26

Number of shares or Principal Amount	Transferable Securities and Money Market Instruments dealt on another Regulated Market	Market Value USD	% Net Assets
United States (cont)			
1,805,000	Washington Mutual Bank/Debt not acquired by JPMorgan 30/12/50, 0.00%	403,868	2.33
Total Bonds - Long		4,773,161	27.47
Bonds - Short			
Australia			
(75,000)	FMG Resources August 2006 01/03/22, 9.75%	(86,344)	(0.50)
Switzerland		(55,228)	(0.32)
(55,000)	Glencore Finance Canada 25/10/17, 2.70%	(55,228)	(0.32)
United States		(294,026)	(1.70)
(110,000)	California Resources 15/12/22, 8.00%	(89,788)	(0.52)
(100,000)	Cengage Learning 15/06/24, 9.50%	(90,000)	(0.52)
(130,000)	Quorum Health 15/04/23, 11.63%	(114,238)	(0.66)
Total Bonds - Short		(435,598)	(2.52)
Total Transferable Securities and Money Market Instruments dealt on another Regulated Market		4,785,042	27.52
Number of shares or Principal Amount	Other Securities	Market Value USD	% Net Assets
Bonds - Long			
Canada			
1,802	Tervita	13,889	0.08
United States		103,471	0.60
678	Chaparral Energy	18,257	0.11
3,163	Chaparral Energy	85,214	0.49
Total Bonds - Long		117,360	0.68
Total Other Securities		117,360	0.68
Number of shares or Principal Amount	Derivatives	Market Value USD	% Net Assets
United States			
77,800	Bank of America Warrants 28/10/18	71,405	0.40
(246)	Basic Energy Services Warrants 23/12/23	(2,645)	(0.02)
124,518	Citigroup Warrants 04/01/19	18,304	0.11
1,704	Dynegy Warrants 02/02/24	971	0.01
Total Derivatives		88,035	0.50
Total Investments		9,628,356	55.40
Other Net Assets		7,752,247	44.60
Net Asset Value		17,380,603	100.00

Appendix I - TER for the Period ended 31 March 2017

Share Class	Schroder GAIA II NGA Turnaround
A Acc	2.50%
A Acc EUR Hedged	2.50%
C Acc	1.74%
C Acc EUR Hedged	1.74%
C Acc GBP Hedged	1.74%
C Dis GBP Hedged	1.74%
E Acc	1.44%
E Acc EUR Hedged	1.44%
E Dis GBP Hedged	1.44%
I Acc	0.18%

Please note that the transactions costs, as detailed in the notes to the financial statements, are not included in the above TER.

Schroder Investment Management (Luxembourg) S.A.

5, rue Höhenhof

L-1736 Senningerberg

Grand Duchy of Luxembourg

Tel: (+352) 341 342 212

Fax: (+352) 341 342 342