Schroders

Total Return Fixed Income Fund

Quarterly Investment Report

As of September 30, 2019

Overview

Fund objective

The Fund seeks a high level of total return by investing in a portfolio of fixed income obligations. The Fund intends to maintain a dollar-weighted average portfolio duration of three to seven years.

Fund valuation

Total net assets (all share classes)	
Fund Value at June 30, 2019	$40,186,142
Fund Value at September 30, 2019	$41,590,582

Source: SEI.

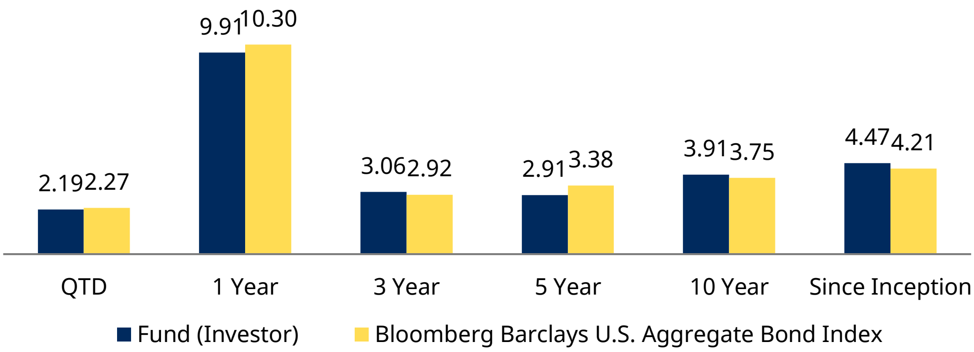
Performance

Periods to September 30, 2019

Total returns (%)	QTD	1 Year	3 Year	5 Year	10 Year	Since Inception
Fund (Investor)	**2.19**	**9.91**	**3.06**	**2.91**	**3.91**	**4.47**
Bloomberg Barclays U.S. Aggregate Bond Index	2.27	10.30	2.92	3.38	3.75	4.21
Relative Performance	**-0.08**	**-0.39**	**+0.14**	**-0.47**	**+0.16**	**+0.26**

Source: SEI, Schroders. Inception Date: December 31, 2004.

Performance versus benchmark (%)



Calendar year performance (%)

	YTD 2019	2018	2017	2016	2015
Investor Shares	9.09	-1.20	4.34	3.07	-1.35
Bloomberg Barclays U.S. Aggregate Bond Index	8.52	0.01	3.54	2.65	0.55

Source: SEI, Schroders.

Performance shown reflects past performance, which is no guarantee of future results. Current performance may be higher or lower than the performance shown. Principal value and investment returns will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. For the most recent month-end performance, visit www.schroders.com/us or call (800) 464-3108. Performance for periods less than one year is not annualized. Total fees and expenses as shown in the Fund's prospectus: Gross 0.93%; Net 0.40%[1]

Total return figures are net of fees and expenses and reflect reinvestment of all dividends and distributions at net asset value. As described in the prospectus, during certain periods shown the expenses borne by the Fund were limited by the investment adviser; otherwise total return would have been lower. [1]In order to limit the Fund's expenses, the Fund's adviser, Schroder Investment Management North America Inc. ("Schroders" or the "Adviser"), has contractually agreed through February 28, 2020 to waive its fees, pay Fund operating expenses, and/or reimburse the Fund to the extent that Total Annual Fund Operating Expenses (other than acquired fund fees and expenses, other indirect acquired fund expenses, interest, taxes, and extraordinary expenses), for the Fund's Investor Shares, exceed 0.40% of Investor Shares' average daily net assets. The expense limitation may only be terminated during its term by the Board of Trustees.

Performance review

The Fund performed in line with the benchmark in the third quarter as positive sector and issue selection was offset by duration and curve positioning. Sector selection was positive for the quarter due to the underweight to Treasuries and overweight to financials and industrials. Our overweight to ABS, specifically AAA-rated CLO's, also contributed as they outperformed the broader securitized sector in the third quarter. With regards to issue selection, the bulk of outperformance was concentrated in the corporate sector. Specific banking and industrials names like RBS, Dell and Enterprise were the notable outperformers. The positive contribution from corporates was partially offset by selection within Treasuries and emerging markets. Within Treasuries, our allocation to TIPS (Treasury Inflation-Protected Securities) detracted as they underperformed the broader Treasury Index during the quarter. Argentina was the primary detractor within emerging markets as the unexpected election results in August led to a sharp sell-off. Yield curve positioning was the largest detractor for the period due to the portfolio's curve steepening bias, expressed through Treasury futures, as the yield curve flattened materially in the third quarter.

Securities mentioned are for illustrative purposes only and should not be viewed as a recommendation to buy/sell.

Market review, outlook and policy

The first nine months of 2019 saw remarkable gains across a variety of asset classes, with many fixed income sectors posting double-digit returns. A large part of this rally is attributable to the notable pivot made by global central banks with a number of central banks cutting rates so far through 2019 in response to escalating trade tensions and protracted weakness in global manufacturing. The Federal Reserve has been no exception cutting rates in both July and September and thereby lowering the Federal Funds target rate from 2.5% to 2%. The market is discounting roughly another 75 bps of cuts by the end of 2020.

This has led to tremendous returns in Treasury markets, in addition to continued momentum in credit assets. With risk assets now having retraced nearly all of the weakness from late last year, we think the easy money has been made and would suggest investors tread with a degree of caution when it comes to the higher-beta sectors such as high yield and emerging markets. Our expectation is that fixed income broadly will remain well supported in the coming months, but will post more modest, coupon-like returns.

Global growth has slowed sharply over the last 12 months with global GDP in 2020 expected to be the lowest since the financial crisis. Growth in Europe will be barely above stall speed in 2019 and Chinese growth has dropped to its lowest levels since 1990. US growth has been more resilient helped by the strength of the US consumer, but the pace of expansion has slowed as trade policy uncertainty takes its toll on business confidence and capital expenditures. The current US expansion is now officially the longest on record. What investors need to reconcile is whether consumer momentum can continue to sustain the expansion in the face of global and manufacturing headwinds. Given the record low unemployment rate, modest consumer leverage, and continuing wage gains, we believe recession will be avoided through 2020. However, vulnerabilities are building, and these are not being fully reflected in the elevated pricing of many risk assets.

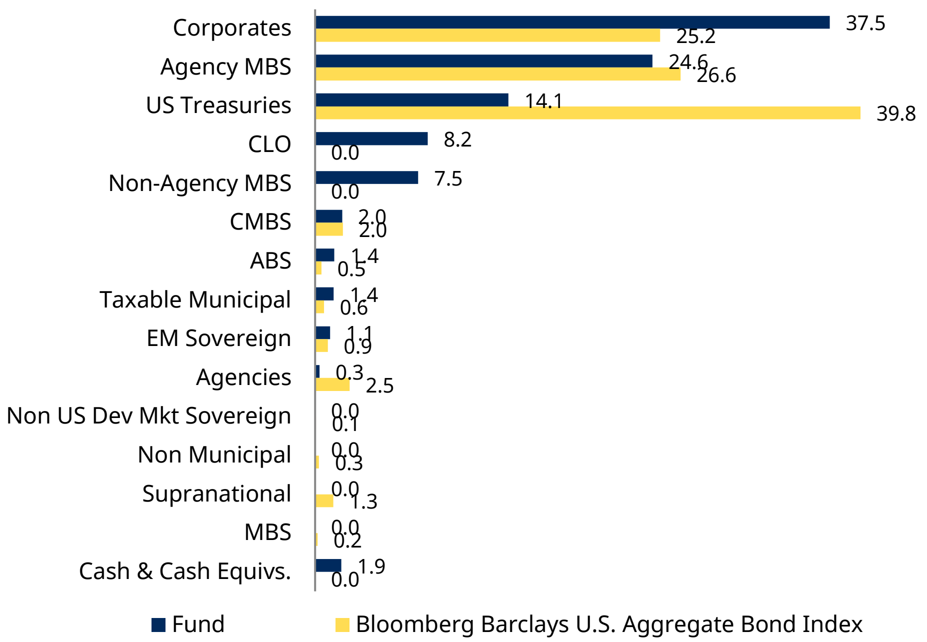
At the moment, risk assets appear to believe in the omnipotence of central banks. Easier monetary policy has buoyed risk assets for the better part of a decade, and investors continue to chase returns in response to lower bond yields. One only needs to look at global equity indices (nearly every major market is posting half-year returns in excess of 10%) as compared to their fundamental underpinnings. Earnings growth in 2019 US equities was essentially flat from a 20% run rate in late 2018. Multiple expansion, instead, has driven equities higher, as markets perceive the monetary-policy driven liquidity environment to be enough to keep things going. Another example of liquidity trumping fundamentals is short maturity Italian bonds trading with a negative yield. With flows rather than fundamentals driving returns we would suggest investors should proceed with caution at this current juncture. Markets will need to navigate various cross-currents in the coming months: uncertainty with regards to trade, a Fed that is easing amidst a cyclical slowdown, Brexit and the ramp-up of the 2020 election cycle Just to name a few. Our view is that the easy money in most markets has been made and that risk assets will face some challenges ahead. This is particularly true as valuations in the credit sectors are now approaching the more expensive end of their cyclical range. The liquidity environment will likely keep risk assets supported, but it's difficult to see material appreciation from here absent a change in the underlying fundamentals.

Portfolio composition (%)*

Data is shown as a percentage of market value.

Sectors are shown for illustrative purposes only and should not be viewed as a recommendation to buy/sell. Government Related includes agency, sovereign, and supranational bonds. Derivatives are included in cash and cash equivalents.

*May not add to 100% due to rounding.
Source: Schroders.



Top ten holdings

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Holdings may vary in calculation methodology from reconciled portfolio holdings information contained in the Fund's annual and semi-annual shareholder reports or first and third quarter reports filed with the SEC on Form N-Q. This data may vary from any holdings information found on the firm's other marketing materials. Holdings are shown as a percent of total net assets.

Fund	Coupon %	Maturity	% Mkt Value
1. U.S. Tips 0-3/4% 07/15/28	0.75	7/15/2028	2.5
2. G2 Ma5986 4% 06/20/49	4.00	6/20/2049	2.0
3. Mdpk 2015-18a A1r Frn	3.47	10/21/2030	1.9
4. Fn Bm4835 3.5% 11/01/48	3.50	11/1/2048	1.8
5. T 4 3/8 05/15/40	4.38	5/15/2040	1.8
6. Fg Q59893 4% 11/01/48	4.00	11/1/2048	1.8
7. T 2 5/8 02/15/29	2.63	2/15/2029	1.8
8. Bacr 10.179 06/12/21	10.18	6/12/2021	1.8
9. Fn Ca2491 4.5% 10/01/48	4.50	10/1/2048	1.7
10. Fn Bm2005 4% 12/01/47	4.00	12/1/2047	1.7
Total			**18.8**

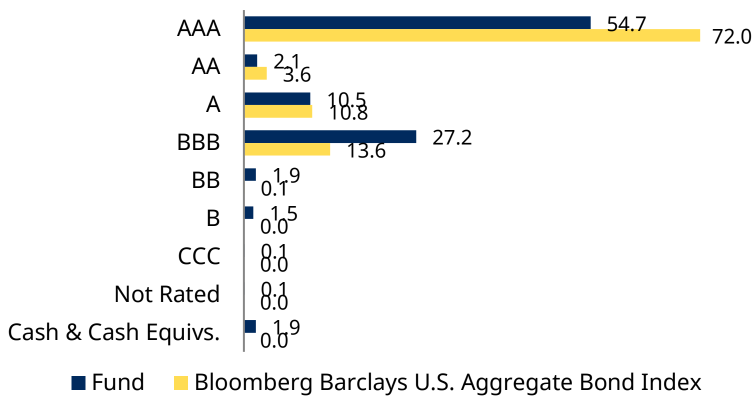
Source: SEI.

Credit quality allocation (%)*

Data is shown as a percentage of market value.

Schroders receives credit quality ratings on underlying securities of the Fund from the three major reporting agencies - S&P, Moody's and Fitch. Securities that are not rated by all three agencies are reflected as such. Schroders converts all ratings to the equivalent S&P major rating category for purposes of the category shown. Below investment-grade is represented by a rating of BB and below. Ratings and portfolio credit quality may change over time. Non-rated securities do not necessarily indicate low quality.

*May not add to 100% due to rounding.
Source: Schroders.



Fund statistics

The Effective Duration and Yield data are shown as of September 30, 2019 and are based on Investor Shares.

	Fund	Benchmark
Effective Duration (years)[1]	5.73	5.75
High Yield Allocation (%)	3.49	0.06
Emerging Markets Allocation (%)	1.86	1.69
Non-dollar Allocation (%)	0.00	n/a

Source: Schroders, SEI.

Important Information

Please consider a fund's investment objectives, risks, charges and expenses carefully before investing. For a free prospectus, which contains this and other information on any Schroders fund, visit www.schroders.com/us, call your financial advisor or call (800) 464-3108. Read the prospectus carefully before investing.

Definitions:

The Bloomberg Barclays U.S. Aggregate Bond Index is a widely used measure of debt returns. It is not managed. Investors can not invest directly in an index.

[1]**Effective Duration** measures the security's price sensitivity to changes in interest rates, expressed in years. The higher the number, the greater potential for volatility as interest rates change.

The views and opinions contained herein are those of the Schroders Multi-Sector Fixed Income team, and do not necessarily represent Schroder Investment Management North America Inc.'s house view. These views and opinions are subject to change.

All investments involve risks including the risk of possible loss of principal. The market value of a fund's portfolio may decline as a result of a number of factors, including interest rate risk, credit risk, inflation/deflation risk, mortgage and asset-backed securities risk, US Government securities risk, foreign investment risk, currency risk, derivatives risk, leverage risk and liquidity risk. Frequent trading of the Fund's portfolio may result in relatively high transaction costs and may result in taxable capital gains. The use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in the underlying assets. Please see the prospectus for a full description of the risks associated with the Fund.

This document does not constitute an offer to sell or any solicitation of any offer to buy securities or any other instrument described in this document. The information and opinions contained in this document have been obtained from sources we consider to be reliable. No responsibility can be accepted for errors of facts obtained from third parties. Reliance should not be placed on the views and information in the document when making individual investment and/or strategic decisions.

The opinions stated in document include some forecasted views. We believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know. However, there is no guarantee that any forecasts or opinions will be realized.

Sectors/securities illustrate examples of types of sectors/securities in which the Fund invested and may not be representative of the Fund's current or future investments. Portfolio sectors/securities and allocations are subject to change at any time and should not be viewed as a recommendation to buy/sell.

Countries mentioned are shown for illustrative purposes only and should not be viewed as a recommendation to buy/sell.

Past performance is not a guide to future performance. The value of investments can go down as well as up and is not guaranteed.

The Fund's investment adviser and sub-adviser are Schroder Investment Management North America Inc. ("SIMNA") and Schroder Investment Management North America Ltd., respectively. Each are wholly-owned, indirect subsidiaries of Schroders plc (collectively referred to as "Schroders" herein), a UK-based company with shares listed on the London Stock Exchange. The Fund is distributed by SEI Investments Distribution Co ("SIDCO"), a member of FINRA. Schroder Fund Advisors LLC, a subsidiary of SIMNA and a member of FINRA, previously served as the distributor of the Fund and continues to be involved in the distribution of its shares through an agreement with SIDCO. SIDCO is not an affiliate of Schroders plc.

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