Schroder AsiaPacific Fund plc

Annual report and accounts
for the year ended 30 September 2023

Schroders

Performance Summary

Net Asset Value ("NAV") per share total return*	Share price total return*	Benchmark total return[1]
+2.9%	**+2.3%**	**+1.5%**
(2022: -13.6%)	(2022: -14.5%)	(2022: -13.9%)

Some of the financial measures above are classified as Alternative Performance Measures, as defined by the European Securities and Markets Authority and are indicated with an asterisk (*). Definitions of these performance measures, and other terms used in this report, are given on pages 76 and 77 together with supporting calculations where appropriate.

[1]Source: Thomson Reuters.

Ongoing charges ratio*¹

0.86%

(2022: 0.84%)

Share price discount to NAV per share*²

11.5%

(2022: 10.8%)

Revenue return per share¹

12.06p

(2022: 12.04p)

Gearing*¹

2.1%

(2022: 0.2%)

Share price²

486.5p

(2022: 487p)

Net revenue after taxation¹

£18,990,000

(2022: £19,673,000)

*Alternative Performance Measure.
[1]Schroders.
[2]Morningstar/Thomson Reuters.

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Strategic Report

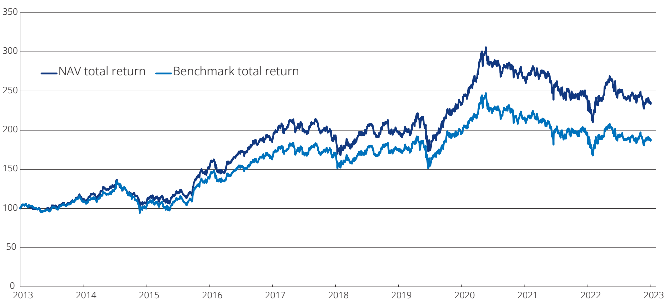
Strategic Report

"We therefore believe this is an ideal time for our Manager's investment strategy which remains focused on companies with structural and sustainable competitive advantages trading at attractive valuations."

Performance

The year ended 30 September 2023 saw challenging market conditions in Asia, in common with markets around the world. The Company's NAV produced a total return of 2.9% for the financial year, outperforming the Benchmark, which produced a total return of 1.5%, while the share price produced a total return of 2.3%. This continues the Company's commendable long term record of NAV total return outperformance of the Benchmark which sits at an annualised 2.4% over 10 years.

10-year NAV performance vs Benchmark



Source: Morningstar as at 30 September 2023. Rebased to 100 at 30 September 2013.

The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted.

There was a significant divergence of returns across Asian markets. Larger markets especially China, where our Investment Managers continue to maintain an under-weight position relative to the Benchmark, and Hong Kong were very volatile during the financial year, impacted by economic headwinds and geopolitical risks. Elsewhere, markets such as Korea and Taiwan performed better. However, Asian currency weakness was a significant drag on performance.

More detailed comment on performance and investment policy may be found in the Investment Manager's Review.

Revenue and dividend

The Company's principal investment objective is to achieve capital growth, and the Directors continue to distribute substantially all of the revenue received each year. The Company's revenue return increased slightly to 12.06 pence per share as portfolio companies dividends remained resilient.

The Directors are recommending a final dividend of 12.00 pence per share for the year ended 30 September 2023, representing the same amount paid in respect of the previous financial year.

This dividend will be paid on 9 February 2024 to shareholders on the register on 29 December 2023, subject to approval by shareholders at the Annual General Meeting ("AGM") on 31 January 2024.

Gearing

During the year ended 30 September 2023, the Company extended its £75 million one year revolving credit facility with The Bank of Nova Scotia, London Branch. At 30 September 2023, the Company's net gearing position was 2.1% taking into account cash balances, compared to 0.2% at 30 September 2022.

The Company also has access to an overdraft facility with HSBC.

Discount management

The Company continued to be active in buying back its shares during the year ended 30 September 2023. A total of 6,000,000 shares were bought back for cancellation at a cost of £29.8 million (2022: 4,060,000 shares were bought back and cancelled at a cost of £21.7 million), adding 0.4% to the NAV. Since the year end, a further 1,335,000 shares have been bought back for cancellation at a cost of £6.4 million.

The discount at the end of September 2023 was 11.5% compared to 10.8% at the previous financial year end. The average discount during the year under review was 11.1%.

Your Board remains focused on limiting discount volatility and helping to maintain liquidity in the Company's shares, noting that discounts across the sector widened as interest rates increased and market sentiment deteriorated. As such, we believe that adopting a rigid discount control mechanism that seeks to target a defined maximum discount level regardless of market conditions is not in the best interests of shareholders. Our policy on share buy backs takes account of the level of discount at which the Company's peer group trades, prevailing market conditions and activity within our sector.

At the Company's last AGM, authority was given to purchase up to 14.99% of the issued share capital. We propose that the share buy back authority be renewed at the forthcoming AGM and that any shares so purchased be cancelled or held in treasury for potential reissue.

Environmental, social and governance issues ("ESG")

Our Investment Manager has always expressed the view that companies with good ESG often perform better and potentially deliver superior returns over time. Our Manager has provided more detail in the Strategic Report on how ESG considerations are incorporated into the investment process and given details of the ESG research capability. This year, further information of the Investment Manager's engagement with portfolio companies, which give further insight into the application of ESG to the investment process, have been included in the report for the first time.

Management fee

As previously noted, the management fee was reduced from 0.70% to 0.60% per annum on net assets in excess of £600 million with effect from 1 April 2023. In respect of the first £600 million of net assets the management fee is unchanged at 0.75%.

Further details may be found in the Directors' Report on page 34.

Board succession

The Board regularly considers its policy on director tenure, succession planning and its composition to ensure that it has the appropriate mix of relevant skills, diversity and experience, and has considered the matter of Board succession carefully during the year in order to ensure that we effectively plan for future Board changes in the coming years.

The Board welcomed Rupert Hogg as a non-executive Director with effect from 1 May 2023. Rupert has over 30 years international business experience gained through senior executive positions, including at a number of large Asian-based companies, and he will be seeking election at the AGM.

Keith Craig will not be seeking re-election at the AGM and, on behalf of the Board, I would like to thank Keith for his significant contribution to the deliberations of the Board over his tenure.

Webinar

On 23 January 2024, the Company's Investment Manager will be presenting to shareholders at a webinar at 2.00 pm. To register your interest to attend this webinar please visit www.schroders.events/SDP23, where the facility to watch the recorded webinar afterwards will also be available.

AGM

The AGM will be held on Wednesday, 31 January 2024 at 12.00 noon at the offices of Schroders at 1 London Wall Place, London EC2Y 5AU. A presentation from our Investment Managers will be given at the AGM, and attendees will also be able to ask questions in person and meet the Directors. Details of the formal business of the meeting are set out in the Notice of Meeting on page 73 of this Annual Report.

All shareholders are recommended to vote by proxy in advance of the AGM and to appoint the Chairman of the meeting as their proxy. This will ensure that shareholders' votes will be counted even if they (or any appointed proxy) are not able to attend.

If shareholders have any questions for the Board, please write, or email using the details below. The questions and answers will be published on the Company's webpages before the AGM.

To email, please use: amcompanysecretary@schroders.com or write to us at the Company's registered office address: Company Secretary, Schroder AsiaPacific Fund plc, 1 London Wall Place, London, EC2Y 5AU.

For regular news about the Company, shareholders are also encouraged to sign up to the Manager's investment trusts update, which can be found at: www.schroders.com/trust-updates/.

Outlook

It is clear that market conditions in Asia – and indeed globally – will continue to be volatile. Global growth prospects remain uncertain while geopolitical tensions in the Middle East, Ukraine and Asia itself weigh heavily on sentiment.

However, despite or even because, of these challenges there are many opportunities. Valuations across the region vary markedly by country and in aggregate do not look expensive versus history, trading below long term averages on a price to book and forward price to earnings basis. A reversal of the upwards trajectory in interest rates could have significant positive implications for Asian assets as equity markets, currencies and liquidity flows respond.

We therefore believe this is an ideal time for our Manager's investment strategy which remains focused on companies with structural and sustainable competitive advantages trading at attractive valuations.

James Williams
Chairman

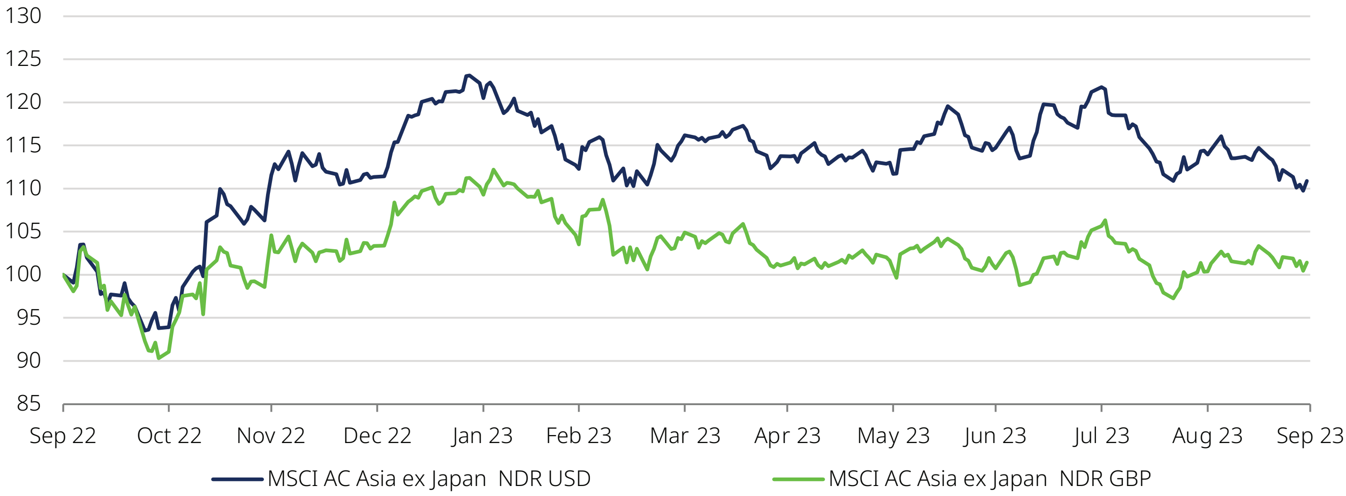
5 December 2023

Abbas Barkhordar

Richard Sennitt

The NAV per share of the Company recorded a total return of 2.9% over the twelve months to end September 2023. This was ahead of the performance of the benchmark, the MSCI All Country Asia ex Japan Index, which rose by 1.5% over the same period. (Source: Morningstar, net of fees, cum income NAV GBP return).

Performance of the MSCI AC Asia ex Japan Net Dividends Reinvested Index in GBP and USD – 30 September 2022 to 30 September 2023



Source: Thomson Datastream as at 30 September 2023.

Asian markets experienced huge swings in sentiment over the 12 months to end September 2023, largely driven by gyrations in expectations for the Chinese domestic economy, the impact of geopolitics, including over Ukraine, Taiwan and US-China relations, and the outlook for the global economy, with the path of US interest rates of particular importance. Despite this litany of concerns, the region's markets rose by around 10.5% in local terms, albeit the strength of Sterling meant they finished up by only 1.5% over the period in Sterling terms.

However, across the region there were large differences in returns. China and Hong Kong were very volatile but of the larger markets ended down the most over the period. We saw large falls in both markets during the fourth quarter of last year in the run up to, and post, the Communist Party Congress before seeing a dramatic recovery driven by the Chinese authorities' move away from 'Zero COVID'. However, optimism faded when economic data, whilst generally showing an improvement, disappointed expectations that had increased after the ending of the zero COVID policy, leading to a renewed sell-off. High-end spending and services consumption did much better when compared to the wider economy but even that was lacklustre. Residential property numbers continued to disappoint and renewed concerns over the state of the Local Government Financing Vehicles' (LGFVs) finances, and some of the private residential developers' liquidity positions, weighed on the market. During July 2023, the Chinese market recovered on expectations of a sizeable stimulus, but measures announced thus far have been relatively modest.

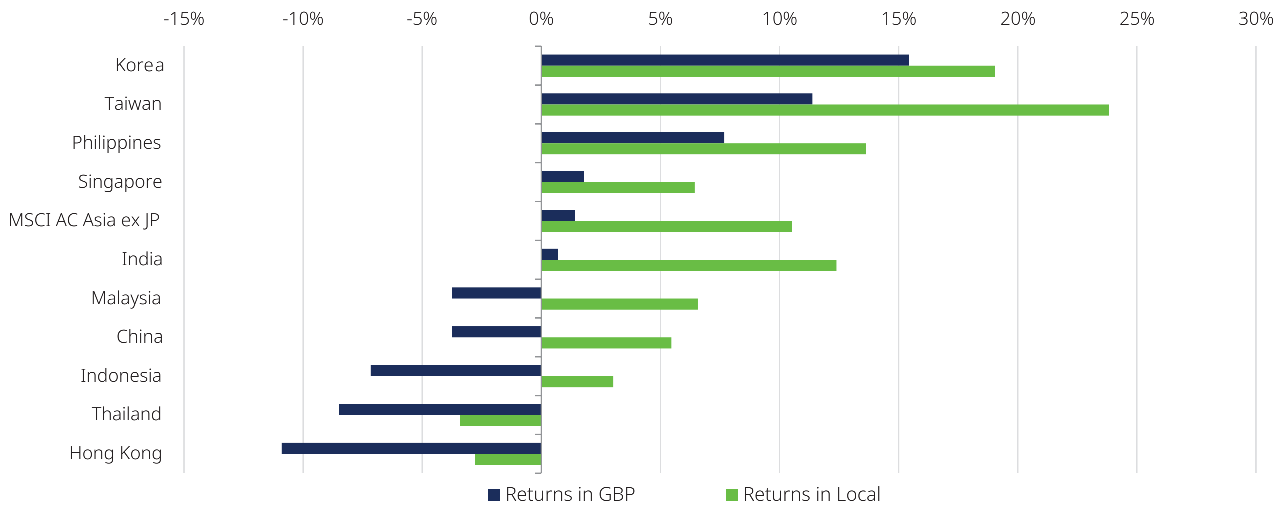
US-China relations continued to be a driver of sentiment over the year under review but, on balance, did see some stabilisation during the year. Positives included the G-20 meeting in Bali, where presidents Xi and Biden met face-to-face, and progress from the US PCAOB (Public Company Accounting Oversight Board) inspection of Chinese accounts where, for now at least, the US seem happy with the access they had been given, thus likely deferring any forced de-listings of Chinese companies in the US. Although "balloon gate", together with more restrictions on the export of high-end technologies to China, did sour relations we have more recently seen increased dialogue between the two, with meetings between US and Chinese officials at a number of levels and the formation of working groups between the two to address specific issues, which is positive. Furthermore, domestically in China, there was a shift in tone around regulation towards the internet companies, together with the approval of several games by leading developers and further announcements of government support for the private sector, leading to hopes that the worst of the regulatory tightening had been seen.

The Indian growth story continued through the year with the market acting as a relative safe haven, doing well when China sold off and vice versa. In the final quarter of 2022, valuations had started to look very full and we did see a sell off until March 2023. However, disappointment with China's recovery and ongoing continued domestic buying saw the market recover, further helped by an expectation that rates were close to peaking given a moderation in inflation.

However, the best performing markets over the year under review were Korea and Taiwan. These are markets that have high weightings in information technology stocks, which was the best performing sector over the financial year. Post-COVID, the information technology ("IT") sector had seen a slowdown as demand for goods faded as people switched to consuming more services. This slowdown had led to an increase in inventories and acted as an overhang for the sector. However, this then elicited a supply side response by these companies to the lower demand, seeing them cut both production and capital expenditure which has seen the inventory imbalance start to correct, lifting stock prices. More recently, some of these have benefitted from the hope that Artificial Intelligence ("AI") would drive a surge in demand for increased computing power. By July 2023, this had started to drive speculative moves in some of the Taiwanese server names, in our view, and in Korea retail investors drove up electric vehicle ("EV") related component suppliers to valuations that we found, in many areas, difficult to rationalise.

Despite the deteriorating outlook for global growth, inflation pressures remained elevated for much of the year and financial conditions generally tightened. Of the other major markets, Singapore proved defensive, with financials performing relatively well. Looking at the performance of sectors across the region, aside from the strength in IT, higher interest rates were supportive of financials. Defensive sectors generally underperformed over the year under review, as did real estate which was impacted by higher interest rates and the weakness of residential property in China.

Market returns of the MSCI AC Asia ex Japan Net Dividends Reinvested Index in GBP and local currency – 30 September 2022 to 30 September 2023

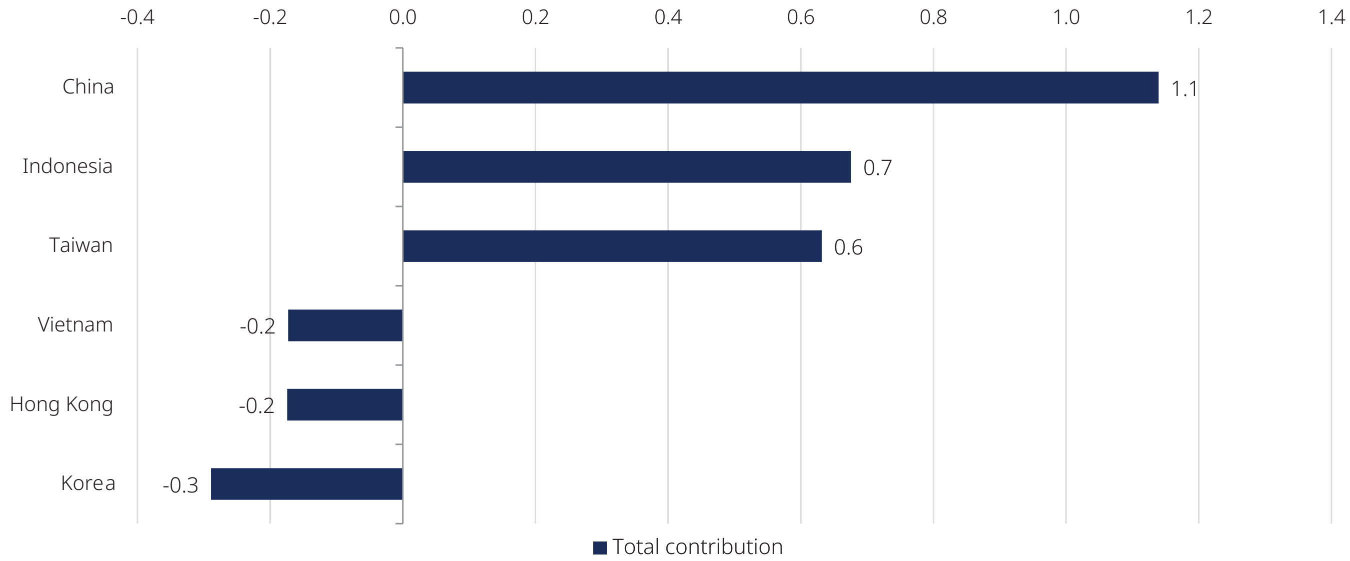


Source: Factset

Performance and Portfolio Activity

The Company's NAV total return was 2.9% over the financial year, which compared favourably to a modest rise in the reference benchmark of 1.5%. Relative performance over the year under review was helped by the underweight to, and strong stock selection in, China. Our holding in the insurance company **Ping An**, was perceived to be a beneficiary from the move away from zero COVID, as it would enable sales agents to conduct more face-to-face meetings which had been constrained during COVID. Other domestic focussed holdings also helped, including **Yum China**, the fast food restaurant that operates KFC and Pizza Hut concessions in China. The stock had proven resilient during COVID, increasing delivery sales while managing its costs well, and is still seen as having a runway for growth from the ongoing roll out of restaurants. **Shenzhou**, one of the world's largest contract manufacturers of sporting apparel, was another company that did well on expectations of a pick-up in demand for its sportswear as multinational players' inventories started to normalise. An absence of some of the more highly rated names in the e-commerce and healthcare sectors also helped as they de-rated over the year.

Top three contributors and detractors by relative performance impact at a regional level, 12 months to 30 September 2023 (%)



Source: Factset PA3. Top contributors and detractors illustrating the total contribution to relative performance (stock selection and regional allocation), are shown excluding gearing, and relative to the MSCI AC Asia ex Japan Index.

Our stock picks in Taiwan also added value, led by the IT names. These included 'fabless' semiconductor chip design companies **Novatek** and **MediaTek**, and power electronics company **Delta Electronics**, whose products have benefitted from the positive trends in AI and EVs. There was also a positive contribution from stocks in some of the smaller markets such as Indonesia and the Philippines. The largest drag on performance came from stock selection in Korea where the biggest negative came from not owning **Posco Holdings**, which is principally an integrated steel maker but whose share price moved up on the back of excitement around its battery-related materials business. The Hong Kong overweight was also a drag but was in large part offset by strong selection there, including from stocks such as **Prada**, the luxury goods company that performed well on strong sales growth which more than offset drags from financials including **BOC Hong Kong**.

From a sector perspective, our overweight to, and stock selection in IT names was the biggest positive contributor with holdings in semiconductor stocks, including memory manufacturer **Samsung Electronics** and foundry company **TSMC**, performing strongly in addition to the names mentioned above. These stocks benefitted from a perceived bottoming in the IT cycle as outlined above. Elsewhere, our holdings in Real Estate added value, principally through our holding in **Oberoi Realty**, a Mumbai focussed residential developer in India. The stock has benefitted from a pick up in demand for property after a long period of under-construction following a multi-year downturn, which had seen consolidation in the industry. Our underweights to some of the more defensive sectors, such as healthcare, utilities and staples, all added value. However, stock picks in the financials sector did detract, with HK names including insurers **AIA** and **Prudential**, in addition to **BOC HK**, a drag. Indian banks **ICICI** and **HDFC Bank** also lagged following a strong period of performance which more than offset the strength seen in **Bank Mandiri** in Indonesia and Singapore names **OCBC** and **DBS**.

The geographic exposure in the Company's portfolio continues to be mainly spread between China, India, Taiwan, Hong Kong, Korea and Singapore. Over the year under review, we added to positions in China and Hong Kong, as the pull back in both markets started to provide opportunities in a number of names. These included adding to existing positions in companies such as **Shenzhou**, for the reasons previously mentioned, and **Tencent**, the internet platform company. Its dominant position in messaging via its WeChat service has been instrumental in allowing it to grow its advertising revenues and market share in online gaming, an area which had been under regulatory scrutiny but where we have now started to see games being approved by the authorities. New holdings include **Shenzhen Inovance,** a manufacturer of industrial products including inverters and servos for use in areas such as factory automation, EVs and robotics. They have been very successful at taking share from foreign players, competing on service rather than just price, and share price weakness on the back of macro disappointment gave us an opportunity to start a position.

A more recent addition has been **Wuxi Biologics,** a healthcare company that straddles the CRO (contract research organisation) and CDMO (contract development manufacturing organisation) biotech industries (outsourced research, development and manufacturing of biological drugs). The stock had de-rated materially on concerns over geopolitics, given its exposure to the US market, and the impact of tighter liquidity on funding for global biotech companies that use Wuxi Biologics to undertake research and manufacturing for them. Despite these additions, China remains a substantial underweight but is, in part, offset by the overweight to Hong Kong. The Hong Kong market, in general, looks more attractive from a valuation perspective, with several names set to benefit from the re-opening of the border with the mainland. These include insurance names, such as **AIA**, as mainland Chinese visitors once again come to Hong Kong to buy insurance, having been prevented from doing so by COVID restrictions. We also bought into a new holding in Macau, gaming company **Galaxy Entertainment**, that would also benefit from increased visitation by Mainland Chinese tourists, and again had de-rated after the excitement of re-opening had passed.

Hong Kong likely to benefit from China opening up post COVID

Recovery will support growth

Hong Kong visitor number of arrivals

Source: Refinitiv Datastream, updated October 2023.
Countries and regions shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Elsewhere, we reduced Taiwanese and Korean exposure, principally by cutting positions in tech names that had done well, including trimming **Samsung Electronics, TSMC** and **Delta Electronics** and selling out of **Novatek**, which had performed well following a better-than-expected pace of normalisation in its inventory. In India, we rotated out of some of the names that had performed well and were looking relatively expensive, in our view, such as auto company **Maruti Suzuki** and logistics plays **Container Corporation of India** and **Gujarat Pipivav Port**. We initiated positions in real estate company **Oberoi Realty** and added to IT services, including a new holding in **Mphasis**, an IT services provider with exposure to several US mortgage providers. These customers had seen a slowdown in demand, impacting sentiment on the stock but providing, in our view, an attractive entry point.

Despite the addition to IT in India, overall we reduced our overweight to IT due to the sales described above in Taiwan and Korea. Nevertheless, we continue to like the sector. Although near term earnings have been seeing downward revisions, we continue to see some strong long-term drivers for growth around digitisation, AI adoption, and the roll-out of 5G and 'Internet of Things'. In IT, our focus remains on the Taiwanese and Korean hardware names and the Indian IT services companies. We also continue to overweight financials, with valuations still looking relatively attractive given higher interest rates and subdued credit costs.

Outlook and policy

The euphoria seen in markets at the beginning of 2023 over China's move away from its "zero COVID" policy feels like a distant memory, as China's long awaited post-COVID recovery has proved weaker than expected. Economic data out of China, and a lack of forceful policy response, has been disappointing, reigniting concerns over local government debts and the wider residential property sector. This has overshadowed more positive global developments stemming from more favourable US inflation data, its knock-on to the US interest rate cycle, and potential for a soft landing in the US. There have also been some signs that the inventory cycle has started to bottom, potentially pointing to a more favourable demand outlook. This in turn could support demand for Asian manufactured product, which historically has been supportive of Asian markets. However, as already highlighted, geopolitics remains an overhang to the region with areas of tension including US-China relations, Taiwan and Ukraine, notwithstanding the recent developments in the Middle East. The electoral cycle is a likely point of focus with both the US and Taiwan having elections next year.

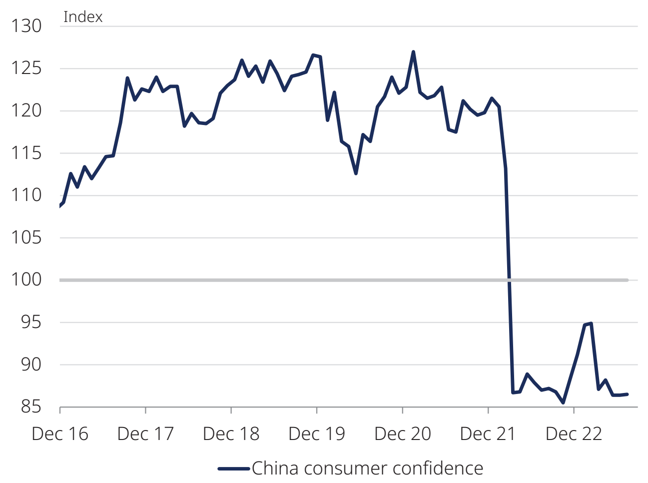
Overall earnings have continued to be revised down following a reset to China and global growth expectations, leaving aggregate valuations broadly in line with their longer-term averages. However, this masks a large variation across individual markets where Singapore and Hong Kong, amongst others, look relatively cheap versus history, and India more expensive.

Although we did not have an optimistic view on the growth outlook for China, it has still managed to disappoint. This has brought renewed focus back on to the residential property sector, where private sector developers have seen a liquidity squeeze, as sales have continued to disappoint, impacting cashflow for the whole sector. The recent negative headlines around Chinese property developers such as Country Garden could cause further deterioration in homebuyers' sentiment and financing capabilities for other private-sector developers, indirectly raising the risk of more defaults in the industry going forward. Therefore we expect policy easing, both on the demand and supply side, in the property sector to intensify to avoid more defaults and any wider impact on the financial sector. Our long-term concerns around the structural headwinds for the residential sector remain – property is likely to be less of a driver for the economy than in the past, given the already high levels of residential investment combined with an ageing demographic. It should be said we do not own any of the Chinese private sector developers in the portfolio.

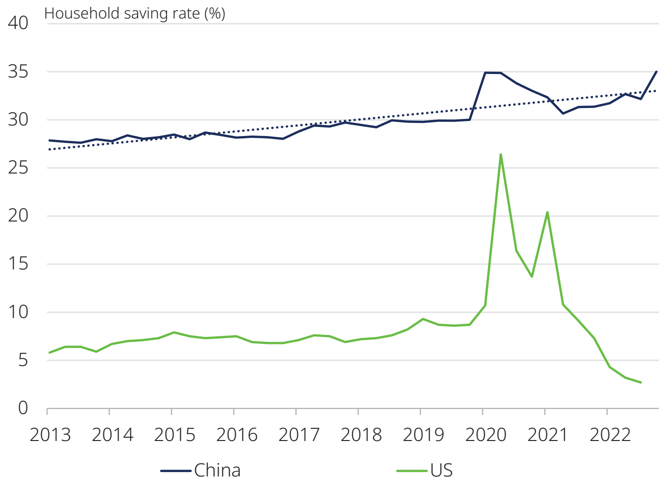
China — problem is poor confidence holding back consumer spend

High savings rates are able to fund consumption if confidence returns

China consumer confidence[1]



Chinese consumer in a different position to US consumer



Source: [1]Refinitiv Datastream, as at 30 September 2023.

[2]Refinitiv, CEIC, Schroders Economics Group. 17 February 2023.

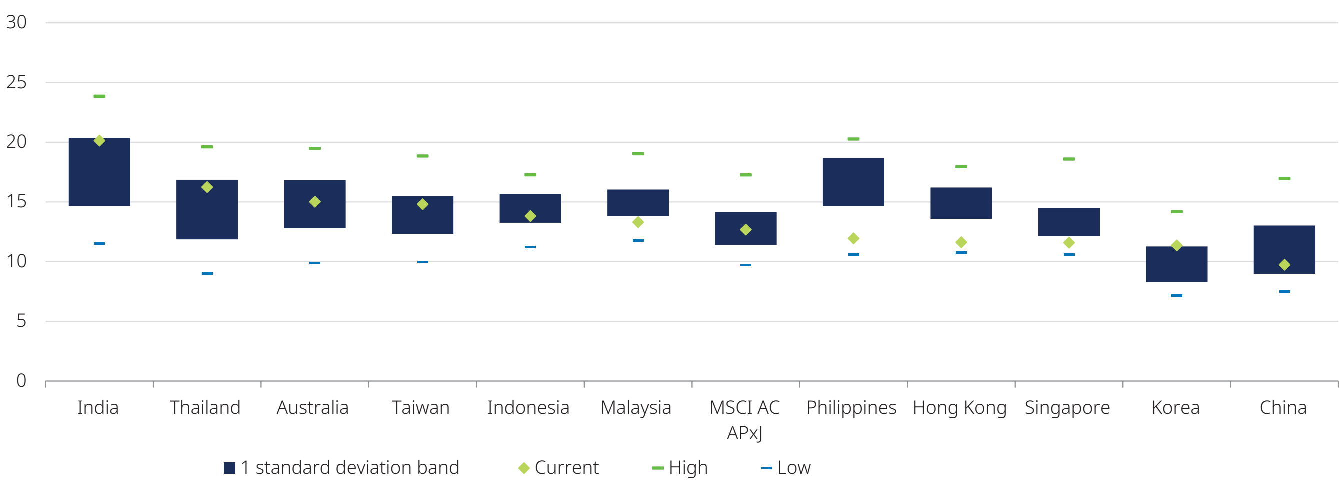
The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Near term, we believe it is a lack of consumer confidence that is the problem rather than an inability to spend due to high borrowings. In fact, household balance sheets have only strengthened over the last two years, due to high levels of precautionary savings. It is measures to address this, such as progress on reforms, rather than a massive fiscal stimulus which is needed to give the consumer greater confidence to spend more. Nevertheless, in our view it is likely we will see further government stimulus, on top of the piecemeal measures we have seen so far, to boost growth given the fragility of the property sector. More positively, the regulatory backdrop does not appear to be getting worse and there are even tentative signs of reengagement between the US and China. Despite this, we remain very underweight combined Hong Kong and China, albeit we have been tentatively looking to add to holdings in both markets where valuations have come back. We are more positive on Hong Kong, where valuations are lower, and the SAR should see a recovery now that the border with the mainland has re-opened. Although visitor numbers to Hong Kong and Macau have picked-up materially, one needs to remain cognisant of the potential for tighter capital controls by the Chinese government should external balances become too wide.

Valuation picture mixed across markets

However, less extreme than towards the end of last year

Price earnings ratio (P/E) Next 12 Months of MSCI AC Asia Pacific ex Japan markets since 2010



Source: Factset, MSCI, September 30, 2023. Notes: PE data based on forecast data. The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

India continues to be a market that offers highly attractive long-term opportunities but is currently being priced for that in many cases, which leaves the market looking relatively fully-valued and relatively expensive versus both its history and other regional markets. Despite this, it has benefitted from the uncertainty around the outlook for the Chinese market, together with the local demand driver of strong domestic inflows which have pushed the small and mid cap names up dramatically. We continue to favour the IT services names together with the banks but also have exposure to the fast-growing healthcare sector via **Apollo Hospitals**.

In the smaller ASEAN markets, we favour Singapore which is benefitting from its increasing status as a regional wealth management hub, as well as the growth of its ASEAN neighbours. We also have exposure to Vietnam, Indonesia and have recently added to our holdings in the Philippines.

Sector-wise, IT stocks, where we have been overweight, have been the bright spot. The potential for additional demand being generated by increased AI has seen many companies, however loosely affiliated with the theme, perform well. Whilst this has seen several companies, in our view, move into more speculative territory, we believe that a number of our companies are set to benefit from this additional demand driver over the medium to long term. We therefore remain overweight – albeit the recent rally has seen us selectively pare back holdings that we believe have got ahead of themselves. The IT names remain sensitive to the global economy and the Korean names, such as **Samsung Electronics**, are still trading at relatively attractive levels from a valuation perspective, in our view. While the visibility of demand remains low, the supply side adjustment is starting to take place as announcements on production and capex cuts have started to be seen and inventories appear to be peaking. Otherwise, we remain overweight to financials – a diverse sector spanning not only banks, but also insurers and exchange companies. Although we saw concern over banks earlier in the year following the Silicon Valley Bank and Credit Suisse collapses, the banks we own are generally well-capitalised with strong deposit franchises and fall into two camps; those that are benefitting from increased credit penetration, such as in India and Indonesia, and the more domestically-focussed retail names in more mature markets, such as Singapore, that in general trade at attractive valuations and decent dividend yields.

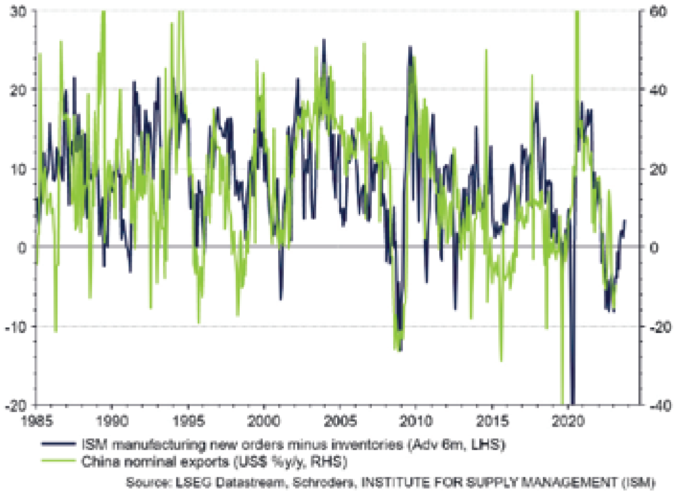
Underweights remain in those areas of the market generally perceived as more defensive, including consumer staples, health care and utilities, where valuations, in our view, still remain relatively full. More recently, however, the market's correction in Chinese healthcare stocks has seen us add to a name there as described above.

Near term, it is likely that we will see further downward revisions to earnings as global growth slows, and an ongoing period of inventory adjustment amongst companies to reflect this slower growth, which will hopefully put them in a position to start to grow earnings once more when demand recovers. Positively, we are starting to see early indicators of a potential bottoming in the global goods cycle with PMIs showing tentative signs of improvement in inventories and new orders which historically, with a lag, have been a good lead indicator of exports. The distortion in the goods cycle from COVID was significant, with goods demand collapsing, post its surge in 2020, as services recovered, meaning that the goods cycle is much progressed when compared to that of services. Given overall aggregate valuations for the region are now trading at or below long-term averages, this does set up a more constructive backdrop for Asian markets in the coming year, barring a global hard landing or a more extreme geopolitical risk event.

To conclude, it is worth remembering that as investors we buy companies, not countries. We are mindful of the impact political and macroeconomic factors can have on equities and returns, but we are bottom-up stock-pickers first and foremost, focusing on the company's return prospects and valuation. We do not try to pick companies which will do well based purely on a particular macro environment which we have forecast; rather we try to pick well-managed companies at attractive valuations, which have structural and sustainable competitive advantages. Therefore, a focus on attractive bottom-up ideas, in our view, remains essential.

Goods cycle starting to bottom

China's nominal exports could return to y/y growth in early 2024



Source: Refinitiv, Schroders Economics Group. 6 October 2023

Market Weights – Schroder AsiaPacific Fund plc vs. MSCI AC Asia ex Japan Index

	Net Asset Value Weight (%)		Benchmark Index Weight (%)
	30-Sep-23	30-Sep-22	30-Sep-23
China	19.1	18.7	34.4
India	18.1	17.0	18.1
Taiwan	15.3	15.0	16.9
Hong Kong	13.0	12.9	6.0
Korea	11.7	12.4	14.0
Singapore	8.7	8.4	3.8
Australia	3.4	3.8	–
Vietnam	3.2	–	–
Indonesia	2.8	2.6	2.3
Thailand	2.0	2.2	2.1
Philippines	1.8	0.9	0.7
Malaysia	–	–	1.6
Other*	3.0	6.3	–
Net cash**	(2.1)	(0.2)	–
Total	100.0	100.0	100.0

Source: Schroders, MSCI, 30 September 2023.
Vietnam has been split out separately for 2023.
*UK, Italy and other net liabilities.
**Cash, less borrowings used for investment purposes.

This information is not an offer, solicitation or recommendation to buy or sell any financial instrument or to adopt any investment strategy.

Schroder Investment Management Limited
5 December 2023

Past Performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Top Ten Investments
at 30 September 2023

1 Samsung Electronics (including preference shares)

Market value: £80,340,000
% of total investments: 9.2% (2022: 8.1%)

Samsung Electronics is a Korean semiconductor and electronics manufacturing company. Its key products include semiconductors (logic and memory chips), mobile phone handsets, consumer electronics, and home appliances. As well as being the leading player in both volatile (DRAM) and non-volatile (NAND) memory, Samsung is one of only a handful of companies in the world able to manufacture the most advanced logic chips at scale.

2 Taiwan Semiconductor Manufacturing Corporation

Market value: £76,215,000
% of total investments: 8.7% (2022: 8.1%)

TSMC is a Taiwanese provider of semiconductor manufacturing services, and the world's largest logic chip contract manufacturer. Its dominant position in the manufacturing of the most cutting-edge chips is a result of a long track record of R&D-driven innovation. TSMC's customers include most of the world's most advanced chip design companies, for applications ranging from smartphone processors to the most advanced AI chips.

3 Tencent Holdings

Market value: £43,480,000
% of total investments: 5.0% (2022: 3.6%)

Tencent is China's biggest internet company, with leading positions in mobile gaming, online advertising and mobile payments. Its WeChat app is the leading instant messaging app in China, and is a key platform for other features, such as payments and social media content, and third-party services accessed through "mini-programs" on the platform. In addition to its own operations, Tencent is a significant shareholder in several other prominent internet companies, in China and abroad.

4 HDFC Bank

Market value: £33,264,000
% of total investments: 3.8% (2022: 4.0%)

HDFC Bank is an Indian financial services provider, offering banking, insurance and mutual funds amongst other financial products. Following its merger with HDFC Ltd, the non-bank financial company, it is now among India's largest private sector financial companies, serving over 90m customers through both traditional and digital channels. India is a relatively underpenetrated market for financial services.

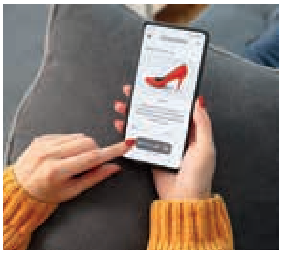
5 ICICI Bank (including ADR)

Market value: £31,513,000
% of total investments: 3.6% (2022: 3.6%)

ICICI Bank is an Indian financial services provider, offering a range of banking services and other financial products, including retail banking, wholesale banking and insurance. It is one of India's leading private sector banks, with around 6,000 branches. India is a relatively underpenetrated market for financial services.

6 Alibaba

Market value: £29,035,000
% of total investments: 3.4% (2022: 3.1%)



Alibaba is China's largest e-commerce company, operating several domestic platforms such as Taobao, Tmall and Freshippo, as well as operating internationally through Lazada and AliExpress. In addition to goods e-commerce, Alibaba also has operations in segments such as digital media, local services, logistics, and public and hybrid cloud services. Its affiliate, Ant Group, is one of China's leading fintech companies.

7 AIA

Market value: £27,188,000
% of total investments: 3.1% (2022: 2.9%)

AIA Group is an insurance company, providing life insurance, accident and health insurance and savings plans, as well as financial products and services to corporate clients. Based in Hong Kong, the company operates in 18 markets across the Asia Pacific region and has sold over 40 million policies.

8 Bank Mandiri

Market value: £23,544,000
% of total investments: 2.7% (2022: n/a)

Bank Mandiri is one of Indonesia's largest banks, serving both retail and corporate customers. Established in 1998 as part of a restructuring program for four government-owned banks, Mandiri remains majority government-owned. It also offers other financial services, such as insurance and securities brokerage. Indonesia is a relatively underpenetrated market for financial services.

9 Oversea-Chinese Banking Corp

Market value: £21,791,000
% of total investments: 2.5% (2022: 2.5%)

OCBC is a Singaporean financial services provider, offering banking, insurance, asset management and stockbroking services. The group operates across Asia, and also owns a stake in China's Bank of Ningbo. The group offers private banking services through its Bank of Singapore subsidiary.

10 MediaTek

Market value: £18,021,000
% of total investments: 2.1% (2022: 1.2%)

MediaTek Inc is a Taiwanese company engaged in the design and distribution of semiconductor chips. Their products focus on mobile connectivity, for example 5G mobile communication chips, as well as bluetooth and Wifi chips, and are mainly used in mobile phones, digital TVs, PCs, home appliances, wearable devices and Internet of Things devices.

Investment Portfolio
at 30 September 2023

Investments are classified by the Manager in the region or country of their main business operations or listing. Stocks in bold are the 20 largest investments, which by value account for 63.3% (30 September 2022: 60.5%) of total investments.

	£'000	%
Mainland China		
Tencent Holdings[1]	**43,480**	**5.0**
Alibaba[1]	**29,035**	**3.4**
Midea (including A shares and LEPO[2])	**17,966**	**2.1**
Shenzou International[1]	11,954	1.4
Ping An Insurance H[1]	9,861	1.1
Sany Heavy Industry A	9,808	1.1
Yum China[1,3]	9,455	1.1
Contemporary Amperex Technology A	8,271	0.9
Hongfa Technology A	7,624	0.9
Shenzhen Inovance Technology A	7,164	0.8
Wuxi Biologics[1]	6,822	0.8
Meituan Dianping[1]	1,496	0.2
Total Mainland China	**162,936**	**18.8**
India		
HDFC Bank	**33,264**	**3.8**
ICICI Bank (including ADR[3])	**31,513**	**3.6**
Apollo Hospitals Enterprise	**17,696**	**2.0**
Tata Consultancy Services	**17,630**	**2.0**
Infosys	**16,570**	**1.9**
Oberoi Realty	12,446	1.4
Mphasis	10,610	1.2
Reliance Industries	9,919	1.1
Delhivery	4,164	0.5
Total India	**153,812**	**17.5**
Taiwan		
Taiwan Semiconductor Manufacturing	**76,215**	**8.7**
MediaTek	**18,021**	**2.1**
Delta Electronics	10,213	1.2
Nien Made Enterprise	9,048	1.0
Giant Manufacturing	8,249	0.9
Hon Hai Precision Industries	8,195	0.9
Total Taiwan	**129,941**	**14.8**
Hong Kong (SAR)		
AIA	**27,188**	**3.1**
BOC Hong Kong	**17,475**	**2.0**
Hong Kong Exchanges and Clearing	**16,849**	**1.9**
Techtronic Industries	10,634	1.2
Galaxy Entertainment	10,255	1.2
Hang Lung Properties	8,475	1.0
Swire Properties	7,790	0.9
Kerry Properties	7,270	0.8
ASM Pacific Technology	5,070	0.6
Total Hong Kong (SAR)	**111,006**	**12.7**
South Korea		
Samsung Electronics (including preference shares)	**80,340**	**9.2**
Samsung SDI	**14,953**	**1.7**
LG H&H	4,547	0.5
Total South Korea	**99,840**	**11.4**

	£'000	%
Singapore		
Oversea-Chinese Banking Corp	**21,791**	**2.5**
Singapore Telecommunications	**16,276**	**1.9**
DBS	**15,980**	**1.8**
Singapore Exchange	13,515	1.5
Sea ADR[3]	6,524	0.7
Total Singapore	**74,086**	**8.4**
Australia		
Rio Tinto[4]	10,760	1.2
Orica	8,954	1.0
BHP[4]	8,830	1.0
Total Australia	**28,544**	**3.2**
Vietnam		
Vietnam Enterprise Investments[4]	**16,627**	**1.9**
Vietnam Dairy Products	5,691	0.7
Mobile World Investment	5,173	0.6
Total Vietnam	**27,491**	**3.2**
Indonesia		
Bank Mandiri	**23,544**	**2.7**
Total Indonesia	**23,544**	**2.7**
United Kingdom		
Schroder Asian Discovery Fund Z Acc[5]	14,082	1.6
Prudential	6,664	0.8
Total United Kingdom	**20,746**	**2.4**
Thailand		
Kasikornbank NVDR	10,666	1.2
Bangkok Dusit Medical Services NVDR	5,986	0.7
Total Thailand	**16,652**	**1.9**
Philippines		
International Container Terminal Services	9,514	1.1
Bank of the Philippine Islands	6,071	0.7
Total Philippines	**15,585**	**1.8**
Italy		
Prada[1]	10,351	1.2
Total Italy	**10,351**	**1.2**
Total Investments[6]	**874,534**	**100.0**

[1]Listed in Hong Kong.
[2]Listed in Luxembourg.
[3]Listed in the USA.
[4]Listed in the United Kingdom.
[5]Predominantly invested in Asia
[6]Total investments comprises the following:

	£'000	%
Equities, including ADRs, LEPOs and NVDRs	828,944	94.8
Collective investment funds	30,709	3.5
Preference shares	14,881	1.7
Total investments	874,534	100.0

The following abbreviations have been used above:
ADR: American Depositary Receipt
LEPO: Low Exercise Price Option
NVDR: Non Voting Depositary Receipt

Ten-Year Financial Record

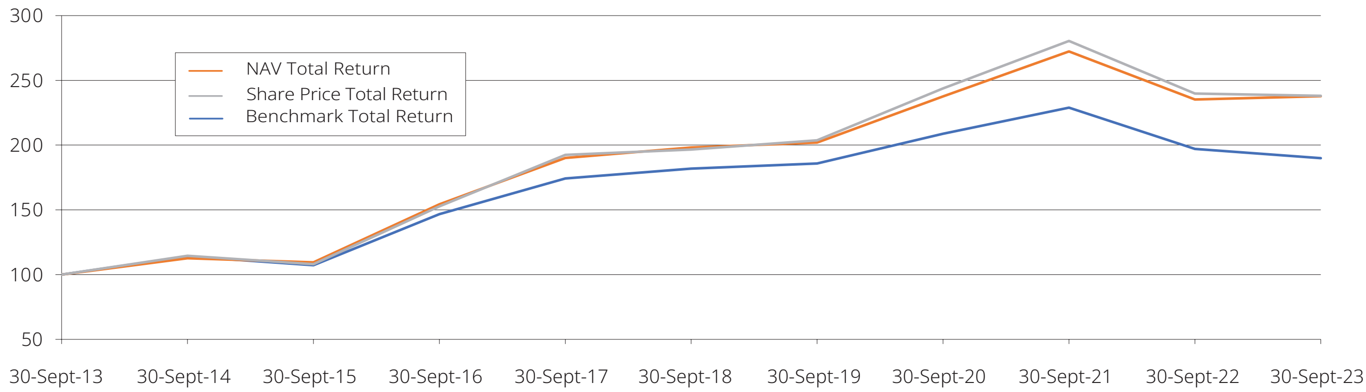
At 30 September	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Shareholders' funds (£'000)	495,527	477,870	658,321	799,942	825,042	822,182	946,146	1,057,941	878,187	851,285
NAV per share, diluted where applicable (pence)	292.82	282.39	392.33	477.38	492.35	490.94	567.16	641.72	546.13	549.92
Share price (pence)	264.00	246.50	343.00	426.00	430.00	435.00	510.00	579.00	487.00	486.50
Share price discount to NAV per share* (%)	9.8	12.7	12.6	10.8	12.7	11.4	10.1	9.8	10.8	11.5
Gearing/(net cash)* (%)	(0.6)	2.3	0.4	4.4	2.6	(2.4)	0.2	0.6	0.2	2.1

For the year ended 30 September	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net revenue return after taxation (£'000)[1]	4,749	7,151	8,040	9,537	16,885	16,590	13,253	16,080	19,673	18,990
Revenue return per share (pence)[1]	2.80	4.23	4.77	5.69	10.08	9.9	7.92	9.66	12.04	12.06
Dividends per share (pence)[1]	2.75	4.2	4.75	5.60	9.50	9.70	8.00	9.70	12.00	12.00
Ongoing Charges* (%)	1.08	1.03	1.10	0.99	0.94	0.93	0.90	0.86	0.84	0.86

Performance[2]	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
NAV total return (diluted where applicable)*	100.0	110.6	107.6	151.6	186.8	194.8	198.4	233.5	267.6	231.1	237.7
Share price total return*	100.0	111.2	104.9	148.6	186.8	190.9	197.7	236.6	272.2	232.7	238.1
Benchmark	100.0	108.4	101.9	139.3	165.4	172.7	176.4	198.2	217.4	187.1	189.9

[1]With effect from 1 October 2017, the Company adopted an allocation policy whereby 75% of indirect cost are allocated to the capital account.
[2]Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2013.
*Alternative Performance Measure.

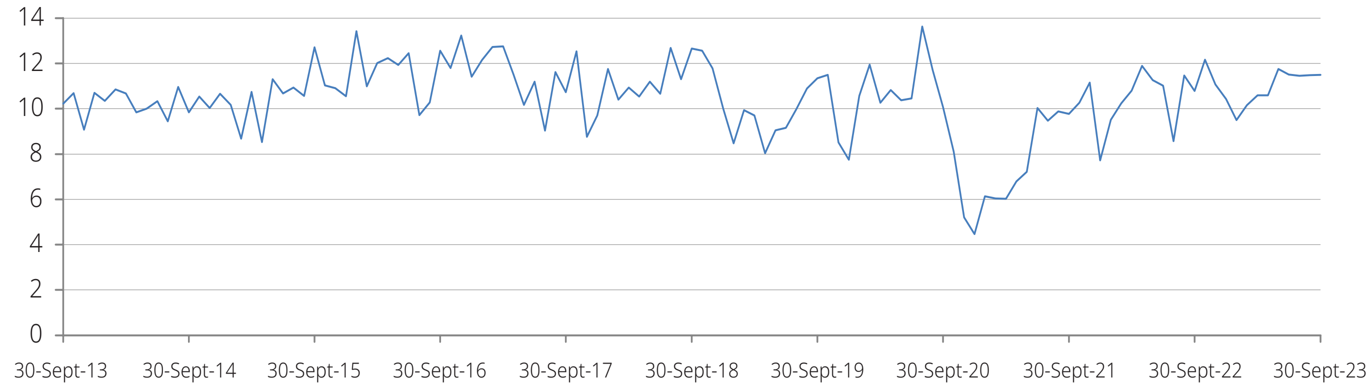
NAV per share, share price and benchmark total return for the ten years ended 30 September 2023



Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2013.

The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted.

Ten year share price discount to NAV per share*



* Alternative Performance Measure.
Source: Morningstar/Thomson Reuters.

Business model

The Company is a listed investment trust, that has outsourced its operations to third party service providers.

The Board has appointed the Manager, Schroder Unit Trusts Limited, to implement the investment strategy and to manage the Company's assets in line with the appropriate restrictions placed on it by the Board, including limits on the type and relative size of holdings which may be held in the portfolio and on the use of gearing, cash, derivatives and other financial instruments as appropriate.

The terms of the appointment are described more completely in the Directors' Report including delegation to the portfolio managers and their team. The Manager also promotes the Company using its sales and marketing teams. The Board and Manager work together to deliver the Company's investment objective, as demonstrated in the diagram above.

Investment objective

The Company's principal investment objective is to achieve capital growth through investment primarily in equities of companies located in the continent of Asia (excluding the Middle East and Japan), together with the Far Eastern countries bordering the Pacific Ocean. It aims to achieve growth in excess of the MSCI All Countries Asia excluding Japan Index in sterling terms (Benchmark Index) over the longer term.

Investment policy

The Company principally invests in a diversified portfolio of companies located in the continent of Asia (excluding the Middle East and Japan) (for the purposes of this paragraph the "region"). Such countries include Hong Kong, China, Singapore, Taiwan, Malaysia, South Korea, Thailand, India, The Philippines, Indonesia, Pakistan, Vietnam and Sri Lanka and may include other countries in the region that permit foreign investors to participate in investing in equities, such as in their stockmarkets or other such investments in the future. Investments may be made in companies listed on the stock markets of countries located in the region and/or listed elsewhere but controlled from within the region and/or with a material exposure to the region.

The portfolio is predominantly invested in equities, but may also be invested in other financial instruments such as put options on indices and equities in the region. The Company does not use derivative contracts for speculative purposes. The Company may invest up to 5% of its assets in securities which are not listed on any stock exchange, but would normally not make such an investment except where the Manager expects that the securities will shortly become listed on a stock exchange. In order to maximise potential returns, gearing may be employed by the Company from time-to-time. Where appropriate the Directors may authorise the hedging of the Company's currency exposure.

Status

The Company's shares are listed and admitted to trading on the premium segment of the main market of the London Stock Exchange. The Company is a constituent of the FTSE 250 index and is an investment trust in accordance with section 1158 of the Corporation Tax Act 2010. It is intended that the Company will continue to conduct its affairs in a manner which will enable it to retain this status. The Company is not a "close" company for taxation purposes.

Whilst the Company's articles of association require that a proposal for the continuation of the Company be put forward at the Company's AGM in 2026, the Directors have no reason to believe that such a resolution will not be passed by shareholders.

Purpose, values and culture

The Company's purpose is to create long-term shareholder value.

The Company's culture is driven by its values: Openness, Responsiveness, Diligence and the pursuit of Excellence, with collegial behaviour and constructive challenge at Board level and when engaging with stakeholders. The values are all centred on achieving returns for shareholders in line with the Company's investment objective. The Board also promotes the effective management or mitigation of the potential risks faced by the Company. To the extent it does not conflict with the investment objective, the Company's operations are structured with regard to all its stakeholders and take account of the impact of the Company's operations on the environment and community.

Acting with high standards of integrity and transparency the Board is committed to encouraging a culture that is responsive to the views of shareholders and its wider stakeholders.

As the Company has no employees and acts through its service providers, its culture is represented by the values and behaviour of the Board and third parties to which it delegates certain activities. The Board aims to fulfill the Company's investment objective by encouraging a culture of constructive challenge with all key suppliers and openness with all stakeholders. The Board is responsible for embedding the Company's culture in the Company's operations. The Board recognises the Company's responsibilities with respect to corporate and social responsibility and engages with its outsourced service providers to safeguard the Company's interests. As part of this ongoing monitoring, the Board receives reporting from its service providers with respect to their anti-bribery and corruption policies; Modern Slavery Act 2015 statements; diversity policies; and greenhouse gas and energy usage reporting.

Key performance indicators ("KPIs")

The Board reviews performance, using a number of key measures, to monitor and assess the Company's success in achieving its objective. Further comment on performance can be found in the Chairman's Statement. Some of the KPIs used are:

- NAV performance;
- Share price discount/premium management; and
- Ongoing charges ratio.

Some KPIs are Alternative Performance Measures. Further details and definitions of these can be found on pages 76 and 77.

Investment process

Investment philosophy

We believe that Asian stock markets are inefficient and provide strong potential for adding value through active fund management.

We believe that this value is best extracted using a fundamental, bottom-up stock selection approach.

ESG

Understanding and addressing ESG issues is important for Asian companies. The sustainability of earnings and the alignment of our interests with controlling shareholders are key considerations. Engagement aids understanding and helps us seek to enhance and protect the value of our investments.

We believe that applying a systematic, disciplined approach, with a strong team culture, increases our ability to add value.

Source: Schroders. For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Translating philosophy into process

A disciplined investment process, applied systematically by an experienced team, is important for adding value over the long-term. The Manager's investment process is informed by their beliefs about Asian markets, based on the extensive experience they have gained investing in the region for over 50 years.

These beliefs, and their implications, result in stock selection being placed at the heart of the Company's investment approach, as explained in the diagram below:

Philosophical beliefs	Asian markets less well researched	Asian stocks have higher specific risks	Asian markets are short term and volatile
Deduction	Add value from stock selection by consistent application of bottom-up process	Seek quality – at the right price	Seek long-term, not short-term valuation anomalies
Process	– Disciplined long-term stock analysis by a large, on-the-ground team of experienced investment professionals covering Asia Pacific ex Japan – Understanding of business value	– Focus on superior or improving ROIC over time – ESG and sustainability of earnings are key considerations – Corporate governance focus	– Take a long-term time horizon – Exploit opportunities created by short term volatility

Investment team

A key strength of the Manager is its team of investment professionals based in the region. The two UK-based portfolio managers, who themselves have well over four decades of experience between them, are supported by a team of 40 equity analysts based across 6 offices in Asia Pacific ex-Japan, who have an average of over 16 years' investment experience[1].

Being based in the region means that the analysts are in regular direct contact with the companies which they are covering, with the team carrying out over 2,300 company contacts per year[2]. This regular contact allows the team to gain a thorough understanding of a company's business model and management culture, the key issues they are facing and their strategies to navigate an ever-changing business environment. Moreover, since the local investors in each country are usually the key owners of the local markets, being present on the ground enables the Manager to understand how those major local investors perceive and value companies.

It is this knowledge base, paired with the expertise of our investment professionals, which adds value to our bottom-up approach to stock selection. The locally-based analyst team is supplemented by other resources across the Schroders group, including the UK-based Sustainable Investment Team and Investment Insight Unit, as well as other equity teams focused on Global and Emerging markets.

Stock research

The key input into the Investment Manager's stock selection decisions is the fundamental research carried out by the analyst team, the majority of which is done using internal research tools and valuation models.

With a universe of around 5,000 potential names to choose from, in what has historically been a volatile region, the Manager has a bias towards 'quality' companies. The analysts look to identify those companies which are most likely to be able to grow shareholder value over the long term, by making assessments of the financial and non-financial (including sustainability) factors which influence company returns. The analytical focus is on the future trend in a company's return on invested capital ("ROIC") relative to its weighted average cost of capital ("WACC"), in the belief that this reflects the attractiveness and sustainability of the business model and serves as a predictor of long-term shareholder returns.

Analysts spend much of their time meeting with companies in their sectors, as well as with industry experts and colleagues, so that they can evaluate the "moats" around the businesses they are analysing and ultimately be in a position to make a recommendation.

The output of this work is usually in the form of research notes and company models, as well as standard data points – a fair value and recommendation grade, an assessment of the company's return profile as described above, and an ESG appraisal and score.

Portfolio construction

Although the Asian team's analysts are the primary source of stock ideas, the portfolio managers also generate stock ideas through their own research (for example, by undertaking visits and meetings with company management) and by drawing on a number of other sources including other investment professionals within Schroders, quantitative screens, and external research providers.

Using all of these inputs, the portfolio managers will decide which stocks to hold, and at what weightings. In doing so, they will consider all the outputs from the analysts' work (such as the upside to fair value), the level of conviction they have in the investment thesis and any identified risks (including those relating to ESG) relative to the rest of the opportunity set. The primary objective of this process is to create a portfolio with an appropriate level of stock specific risk as the primary driver of returns.

While the portfolio construction process is primarily driven by bottom-up stock selection, there is also a top-down regional allocation review process, carried out on a monthly basis, combining the output of an in-house quantitative model and the qualitative views of the portfolio managers, informed by data and analysis from both internal and external research teams.

The purpose of this "top-down overlay" is to identify and adjust for any unwanted systematic risks (or missed opportunities) which have resulted from the bottom-up process. Top-down factors looked at in this process may include macroeconomic conditions, inflation and interest rate dynamics, politics/geopolitics, aggregate market valuations and measures of investor sentiment. This allows the portfolio managers to construct the portfolio using the most attractive bottom-up ideas, while helping ensure sufficient diversification and taking into consideration any important top-down factors. They will also harness Schroders' proprietary risk management systems to provide a quantitative view of the characteristics of the portfolio.

This results in a relatively diversified portfolio, typically with a 'quality' bias.

[1]Team information as at September 2023. The 40 ex-Japan analysts includes Schroders' local specialist team of equity analysts in Sydney, as well as a joint-venture team of Indian equity analysts at Axis Asset Management (Axis AMC) in Mumbai.
[2]Calendar year 2022. Source: Schroders.

Integration of ESG into the investment process

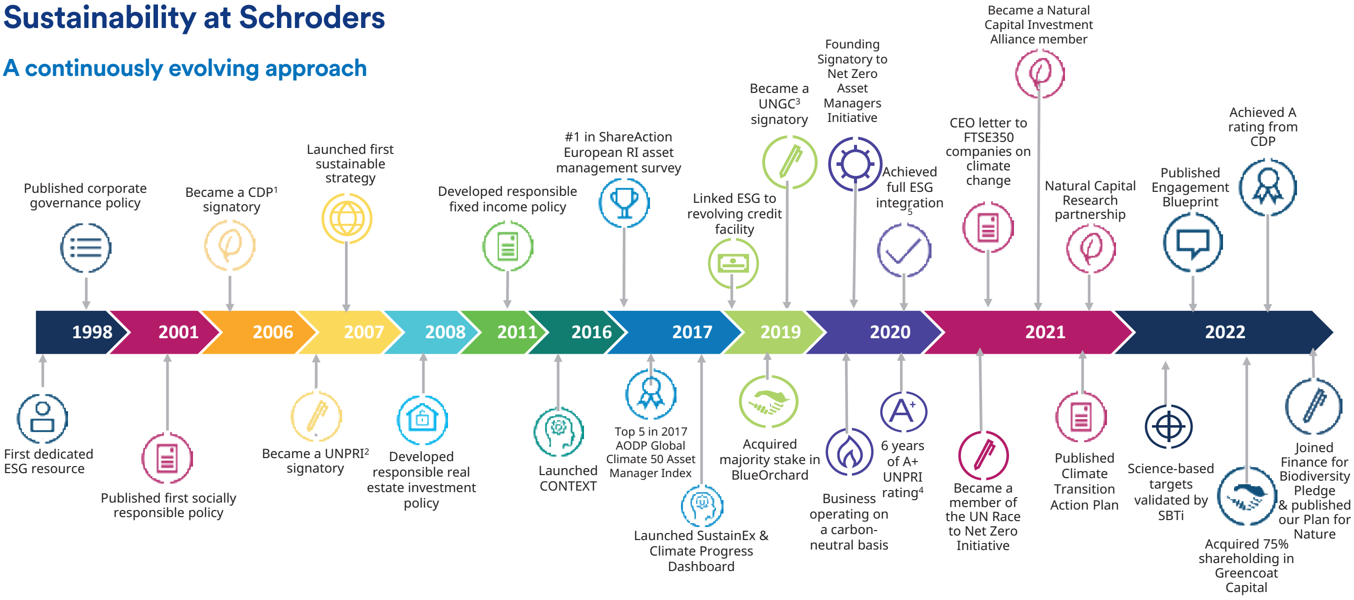
This report reflects the ESG views and activities of the Manager in relation to the Company's portfolio, and more widely. References to "our" or "we" in this section of the report refer to the views of the Manager.

How are ESG factors incorporated into the Asian investment process?

Schroders has been considering ESG issues, and sustainability generally, for over 20 years, as detailed in the timeline below.

Sustainability at Schroders

A continuously evolving approach



'Issues such as climate change, resource scarcity, population growth and corporate failure have put responsible investment at the forefront of investors' minds. We believe that companies with a strong environmental, social and governance ethos tend to deliver better results for our clients.'

Peter Harrison, Group Chief Executive, Schroders plc

Source: Schroders, December 2022.
[1]Carbon Disclosure Project. [2]UN Principles for Responsible Investing. [3]UN Global Compact. [4]Strategy and Governance module. [5]For certain businesses acquired recently we have not yet integrated ESG factors into investment decision-making. There are also a small number of strategies for which ESG integration is not practicable or possible, for example passive index tracking or legacy businesses or investments in the process of or soon to be liquidated, and certain joint venture businesses are excluded.

For a long time, the Manager has incorporated into its decision making a thorough assessment of management quality, environmental, social and governance factors, whether implicitly or explicitly. We recognise the importance of appraising both financial and non-financial factors when analysing a company and its security. Your Manager believes that integrating an analysis and evaluation of ESG factors in our security valuation and selection process is key to enhancing and protecting long-term shareholder value. The appraisal of non-financial factors, including ESG considerations, contributes to a better understanding of a company's risk characteristics and return potential.

As long-term, bottom-up investors, assessing the sustainability of a company's returns and financial position has always been at the core of our research and investment decisions in Asia. Consistent with this approach we engage with company management teams (Schroders conducts over 2,300 meetings (calendar year 2022) with regional companies a year) as well as voting all our proxies where practically possible. Our analysts are directly responsible for assessing ESG risks and opportunities as we believe they are best placed to understand their companies and determine the impact of ESG issues on the sustainability of the business.

ESG analysis is an integrated and important part of our investment process from initial screening through to final portfolio construction. ESG analysis impacts our investment process in four direct ways:

1. Initial screening – ESG helps determine which companies we consider to be investable as part of our initial screening.
2. Sustainability of earnings – ESG analysis helps understand the impact ESG externalities may have on the future earnings power of the business and with it our assessment of the return on invested capital ("ROIC") and shareholder return classification ("SRC") of the company.
3. Fair Value and recommendation – ESG is an indirect and direct input into our fair value estimate of a company. Indirect, to the extent that a company's SRC may influence the assumptions used in establishing our fair value estimate of a company; and direct, to the extent that we may apply an additional explicit discount/premium to that fair value estimate.
4. Portfolio construction – ESG helps shape portfolio construction and may influence how we size positions. For example, poor ESG performance or heightened ESG risks may result in a decision to underweight a security, hold a smaller position size or avoid an investment completely. There is no automatic rule – each investment opportunity is assessed on a case-by-case basis, with the focus on the materiality of ESG factors on a company's valuation and risk profile.

In summary, ESG analysis helps determine which companies we look at, how we assess their sustainability and, hence, how we value them. And while company valuations ultimately drive our portfolio construction, our ESG insights play a crucial role in the investment process and influence how we size positions within a portfolio. Furthermore, our ESG analysis is broad reaching and we are not only interested in the potential downside risks that we may identify but also the upside return implications for stocks we invest in.

Asia ex Japan ESG analysis in practice[1]

Our Asian equity analysts are expected to provide written ESG analysis for all companies under coverage. This identifies and assesses the potential effect of ESG issues on the investment case.

For our ESG analysis to be more robust and more integrated, we have drawn on the proprietary tools developed by Schroders such as Context and SustainEx. Asia Context, which is the principal tool employed, captures our ESG analysis in one template using a stakeholder based framework and is a key step in our overall assessment of a company. In addition to separate rankings for 'E', 'S' & 'G', we generate an overall score for each company's ESG rating.

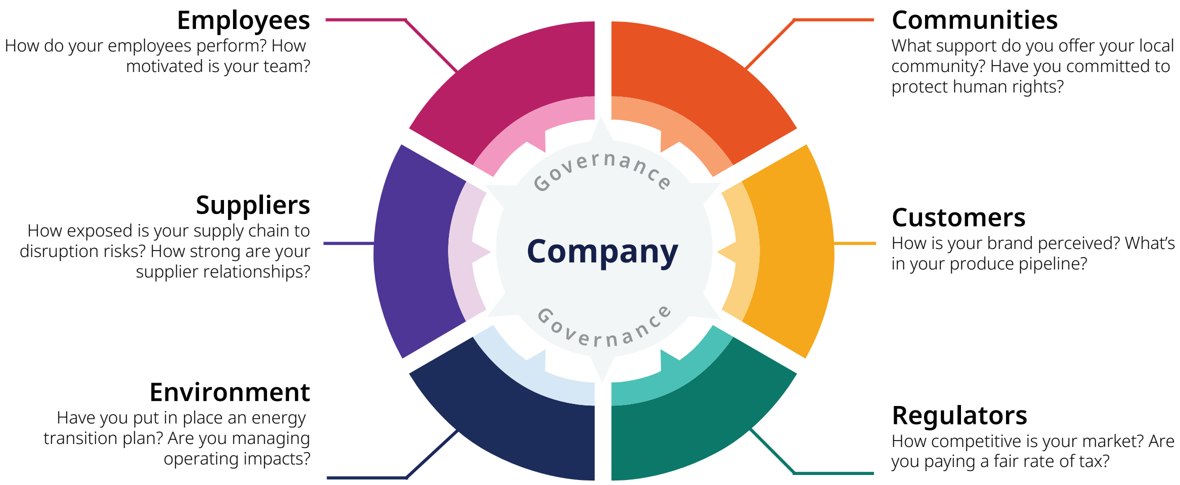
We have always engaged with the companies that we invest in, and direct company contact is an important component of the initial due diligence and ongoing monitoring process. The Asia Context template provides us with a clearer, and broader roadmap on the issues requiring engagement and enhances appreciation of the downside and upside risks to a company's business model. The analysts have the option to apply an explicit discount or premium to their fair value estimate as a result of their ESG analysis.

One of the Asian Equities team's greatest strengths is our experienced analysts working hand-in-hand with our experienced fund managers – often involving discussions from the beginning to the end of the research on a company. Many of our fund managers are ex-analysts and they are heavily involved in the discussions that underpin our ESG conclusions – especially given the inherent subjectivity of how certain ESG considerations will impact a company. We do not expect our analysts to score our Asia Context templates in isolation – in many instances we need to build a team consensus on which issues to address and how to score them.

In addition to the merits of an individual stock idea, portfolio managers will also take into consideration the overall balance of the portfolio when selecting stocks and sizing positions – looking, for instance, at overall sector and country weights. As part of that process a company's ESG characteristics may influence how portfolio managers size positions within the portfolio. The portfolio manager may elect to limit, or even rule out, exposure to a particular stock in view of a specific ESG concern. We assess each situation on its merits, focusing on the materiality of ESG factors on a stock's valuation and risk profile.

The context framework:

Understanding how a company manages it relationships with stakeholders



Source: Schroders.

Working with the Schroders Group's Sustainable Investment Team

Schroders has a team of more than 50 dedicated ESG professionals (30 June 2023) who develop proprietary ESG tools and oversee ESG analysis across Schroders. The ESG specialists will also engage directly with companies, prioritising those with exposure to higher ESG risk and low ESG ratings. They can attend company meetings with portfolio managers and analysts to discuss specific sustainability issues directly with company management, in addition to financial performance, as well as engaging with company sustainability experts directly.

Corporate Governance Analysts in the team will also work alongside investors, and our internal compliance and legal teams, to ensure our voting activities comply with our ESG policy.

To enhance the Asian team's ESG expertise, we have two members of the Sustainable Investment team based in Asia, supporting the investment team and ensuring they are kept fully informed of the relevant output of the Sustainable Investment team in London. We also have a Sustainable Equity Analyst on the team who brings additional insight and perspective to our ESG analysis and engagement.

In addition, the Asian investment team collaborates with the Sustainable Investment team, both formally and informally participating, for instance, in a monthly ESG conference call together with other investors globally to discuss topical issues as well as ESG best practice.

[1]The above ESG research framework covers investments in companies covered by our team of locally based Asia ex Japan analysts. The detail of ESG coverage in other regions where analysts report locally (e.g. Australia, India) may differ, but is underpinned by the same broad approach.

So what is the outcome for the Company?

The process described above in relation to how we approach ESG in our view results in a portfolio that is likely to be less exposed to areas that could be deemed 'sensitive' from an ESG perspective and where there is 'sensitivity', it is likely to be to markets that are generally well regulated with a focus on the better practitioners. It should be noted that the Company does not screen out all companies in sensitive sectors[1], rather the process results in a much higher hurdle for stocks to get into the portfolio than might otherwise be the case. Below is a table that covers some of the more 'sensitive' sectors and our exposure to them. As you can see exposure to the more sensitive areas is limited.

Sector	Reasons for Caution	Our Approach	Approximate portfolio Exposure
Agribusinesses/ Aquaculture	Environmental, Social, Governance, (low barriers of entry, widespread questionable practices)	Avoid; small exposure	0.6% (1 stock – branded milk company with some upstream supply)
Tobacco	Social	Avoid	0%
Gambling	Social, Governance. Licence to operate/ promotional practices	Limited exposure to best-in-class players in well-regulated markets (e.g. Australia, Macau)	1.2% (1 stock)
Utilities (traditional)	Environmental, Governance, (national service obligations, uncertain regulations/risks of backlash against coal plants, mostly state-owned enterprises)	Avoid carbon heavy energy providers, focus on hydro and sustainable energy providers in well-regulated markets	0%
Resources	Environmental, Social, Governance (questionable practices such as bribery and poor environmental and safety controls concerns in Asia ex Australia)	Preference for Australian blue chip names, with minimal thermal coal mining revenues	3.2% (3 stocks)*
Oil and Gas	Environmental, Governance (regulations, unfavourable taxes, price takers, big carbon producers)	Limited exposure to sector ideally with an LNG/gas focus or self-help story	1.1% (1 stock)
Property	Environmental, Social, Governance (bribery issues, flooding, land clearance compensation, labour practices)	Prefer well-governed companies in better regulated markets. Exposure is mainly to Hong Kong listed stocks, plus one Indian company.	4.1% (4 stocks)
Defence	Monopsony structure, corruption	Avoid	0%

Source: Schroders, as at 30 September 2023.
*Includes mining related stocks
For illustrative purposes only and should not be viewed as a recommendation to buy or sell.

We take a cautious approach to exposure in those companies which, while they may be making attractive returns currently, are not always operating in a sustainable way, which could potentially impact future earnings.

We have tended, therefore, to take our exposure to these industries through the higher quality names, operating in well regulated markets. For example, while we believe commodity resources will continue to be necessary in future (and indeed crucial for a transition to a lower carbon world), our exposure to this sector is through blue-chip Australian companies, rather than more marginal miners in emerging countries. Similarly, for the real estate sector, the majority of our exposure is through companies which have a focus on strong governance, operating in well-regulated markets. For some sectors (e.g. tobacco or thermal coal[1]), our requirement for operations to be sustainable in the long-term is a high hurdle to clear, regardless of the governance or regulatory frameworks a company is operating under, so we have tended to have very limited exposure there.

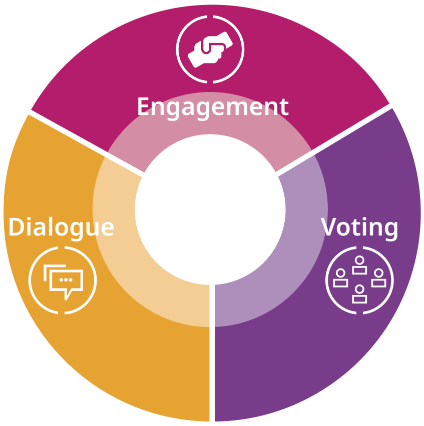
[1]Schroders applies Group-level exclusions to all Schroders funds that are directly managed. These Group-level exclusions relate to controversial weapons and companies that generate more than 20% of their revenues from thermal coal mining. Details can be found at the following link: Group exclusions | Schroders global

Active ownership at Schroders

Schroders has a long history of engagement and active ownership and we have engaged with companies on ESG related matters for the past two decades. As active investors, we have always considered active ownership to be a key channel of influence on management teams and a mechanism that allows for more sustainable practices to be properly considered in managing the companies and assets in which we invest on behalf of our clients. We aim to drive change that we believe should better protect and enhance the value of our clients' investments and we are committed to leveraging our influence as an investor to change how a company operates for the better. These regular engagements form an important aspect of our role as stewards of our clients' capital and allow us to deploy capital in businesses with long-term sustainability of returns and shareholder value creation.

Influencing corporate behaviour and outcomes

We work with companies to help them to **recognise the potential impact** of these challenges and **help them take action** in the areas where change may be required



We speak with companies to understand if and how they are preparing for the **long-term sustainability challenges**

We use our voice and rights as shareholders to **make sure these changes are effected**

Source: Schroders

Engagement in practice

It should be remembered that we are not an 'activist' investor and that in general we are looking to buy into companies that are already well-managed with decent governance and attractive return profiles. However, this does not mean that there is not still room for engagement, particularly when thinking about sustainability issues and the evolution of a longer-term investment thesis. Below is an example of continuous engagement with portfolio holding Samsung Electronics in Korea. This has been a long-term holding in the portfolio and engagement has focused on different areas of the 'E', the 'S' and the 'G'. These include Climate Change, Diversity and Inclusion and Corporate Governance as per the chart below.

Engaging across our priority engagement themes

Samsung Electronics

	Themes	Format	Objectives	Outcomes
Aug 2019	Diversity and Inclusion	Email **IR**	Encourage improvement on gender diversity.	Company committed to improving culture and launched initiatives for female employees.
Aug 2020	Corporate Governance	Email **IR**	Improve transparency on political lobbying.	Communicated expectations on transparency and alignment.
Mar 2021		1x1 call **IR**	Re-election of 3 directors in light of adverse ISS recommendations.	The Company recognised that investor trust needs to be earned and it is something they will work on.
Oct 2022	Climate Change	1x1 call **IR**	Communicate climate expectations.	Company has set Scope 1 and 2 emission targets and working to develop Scope 3 visibility.
	Diversity and Inclusion	1x1 call **IR**	Improve board diversity.	Company recognised the need for more global presence on the board but highlighted their potential candidates sit on more than two boards, which will likely be opposed by ISS/GL given their maximum two boards over-boarding policy in South Korea.
Nov 2022	Corporate Governance	Email **CEO**	Raise concerns on ROE cash drag.	Communicated our analysis and concerns on valuation.
Aug 2023		1x1 call **IR**	Improve shareholder return policy.	The shareholder return policy is being actively discussed internally. An update will be available by end-Jan 2024.

Stakeholders addressed in engagements	Governance & Management	Regulators & Governments	Environment
	Employees	Customers & Suppliers	Local communities

Source: Schroders, as at October 2023.
Securities shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell. We recognise that success factors may be subjective, and that Schroders' influence may not have been the sole driving force for this change. However, we believe it is important to track companies' progress and measure the outcomes of our engagement.

This form of continuous engagement is fairly typical and, in addition to the topics mentioned above, would include other areas such as Natural Capital and Biodiversity, Human Rights and Human Capital Management where appropriate.

Further disclosures

Investment restrictions and spread of investment risk

The key restrictions imposed on the Manager are that:

(a) no more than 15% of the Company's total net assets, at the date of acquisition, may be invested in any one single company;

(b) no more than 10% of the Company's total net assets, at the date of acquisition, may be invested in other listed investment companies unless such companies have a stated investment policy not to invest more than 15% of their gross assets in other listed investment companies;

(c) the Company will not invest more than 15% of its gross assets in other listed investment companies or investment trusts;

(d) no more than 15% of the Company's total net assets may be invested in open-ended funds; and

(e) no more than 25% of the Company's total net assets may be invested in the aggregate of unlisted investments and holdings representing 20% or more of the equity capital of any company.

No breaches of these investment restrictions took place during the financial year.

The investment portfolio on page 15 demonstrates that, as at 30 September 2023, the Company held 58 investments spread over multiple countries and in a range of industry sectors. The two largest investments, Samsung Electronics and Taiwan Semiconductor Manufacturing, represented 9.2% and 8.7% respectively of total investments. At the end of the year, the Company did not hold any unlisted investments and the only holding in an open-ended fund was in Schroder Asian Discovery Fund Z Acc, which represented 1.6% of total investments. There was also a holding in Vietnam Enterprise Investments, a closed-end fund trading on the London Stock Exchange which represented 1.9% of total investments. The Board believes that the objective of spreading risk has been achieved.

Use of gearing

On 23 June 2023, the date of expiry of the credit facility, the Company renewed its one year £75 million revolving credit facility agreement with The Bank of Nova Scotia, London Branch. Under the facility agreement, the Company also has the option to increase the revolving facility by a further £25 million to £100 million. At the year end $30 million of the credit facility with The Bank of Nova Scotia was drawn down.

In addition, the Company has a £30 million multi-currency overdraft facility with HSBC, which was not utilised during the year. The Board has set parameters within which the Manager is authorised to use the credit facilities and draw down funds. While the articles of association limit the amount of gearing the Company may have to a maximum of the Company's adjusted capital and reserves, Directors do not anticipate net effective gearing levels in excess of 20% of shareholders' funds.

Diversity

The Board has adopted a diversity and inclusion policy. Appointments and succession plans will always be based on merit and objective criteria and, within this context, the Board seeks to promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. The Board will encourage any recruitment agencies it engages to find a range of candidates that meet the objective criteria agreed for each appointment. Candidates for Board vacancies are selected based on their skills and experience, which are matched against the balance of skills and experience of the overall Board taking into account the criteria for the role being offered.

Statement on Board diversity – gender and ethnic background

The Board has made a commitment to consider diversity when reviewing the composition of the Board and notes the new Listing Rules requirements (LR 9.8.6R(9) and (11)) regarding the targets on board diversity:

- at least 40% of individuals on the Board are women;
- at least one senior Board position (chairman, chief executive officer ("CEO"), senior independent director or chief financial officer ("CFO")) is held by a woman; and
- at least one individual on the Board is from a minority ethnic background, defined to include those from an ethnic group other than a white ethnic group, as specified in categories recommended by the Office for National Statistics.

As required by the Listing Rules the Company's reporting against these targets is set out in the tables below. The data was collected on a self-identifying basis.

In respect of the year under review, the Board met the target in relation to the number of women on the Board until 1 May 2023 when Rupert Hogg was appointed as a Director as part of the Board's succession planning. Following the retirement of Keith Craig as a Director at the conclusion of the next AGM the Board will again meet this target albeit, as at 30 September 2023, the target was not met. The target will continue to be considered when future Board appointments are made although for continuity and succession planning the Directors will always select the best candidate based on objective criteria and merit.

As at 30 September 2023 and the date of this report, the targets for the number of senior Board positions which should be held by a woman and for at least one individual to be from a minority ethnic background have been met. The Board considers that as an externally managed investment trust, with no CEO or CFO, the Chair of the Company, the Senior Independent Director and Chair of the Audit and Risk Committee to be senior positions.

The below tables set out the gender and ethnic diversity composition of the Board as at 30 September 2023 and at the date of this report.

Gender identity

	Number of Board members	Percentage of the Board	Number of senior positions[1] on the Board
Men	4	66.6%	2
Women	2	33.3%	1
Not specified/prefer not to say	–	–	–

Ethnic background

	Number of Board members	Percentage of the Board	Number of senior positions[1] on the Board
White British or other White (including minority-white groups)	5	83.3%	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	16.7%	1
Black/African/Caribbean/ Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

[1]The Company considers the positions of Chairman of the Board of Directors, Senior Independent Director and Chair of the Audit and Risk Committee to be senior positions of the Board.

The prescribed format for the above tables includes provisions relating to the role of the CEO, CFO and executive management. The Board considers these provisions are not relevant to the Company as it is an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no CEO, CFO or executive management.

The Board also considers the diversity and inclusion policies of its key service providers.

Financial crime policy

The Company continues to be committed to carrying out its business fairly, honestly and openly, and operates a financial crime policy, covering bribery and corruption, tax evasion, money laundering, terrorist financing and sanctions, as well as seeking confirmations that the Company's service providers' policies are operating soundly.

Greenhouse gas emissions and energy usage

As the Company outsources its operations to third parties, it has no significant greenhouse gas emissions and energy usage to report.

Taskforce for Climate-Related Financial Disclosures

On 30 June 2023, the Company's AIFM produced a product level disclosure consistent with the Task Force on Climate-Related Financial Disclosures ("TCFD") for the period 1 January 2022 to 31 December 2022. This can be found here: https://mybrand.schroders.com/m/6ec452c589d9a1c6/original/TCFD-Schroder-AsiaPacific-Fund-20221231.pdf.

Responsible investment

The Company delegates to its Manager the responsibility for taking ESG issues into account when assessing the selection, retention and realisation of investments. The Board expects the Manager to engage with investee companies on social, environmental and business ethics issues and to promote best practice. The Board requires the Manager to exercise the Company's voting rights in consideration of these issues, and receive reporting on them.

Further detail on engagement and stewardship can be found on pages 20 to 23.

In addition to the description of the Manager's integration of ESG into the investment process and the details in this Business Review, a description of the Manager's policy on these matters can be found on the Schroders website at www.schroders.com.The Board notes that Schroders believes that companies with good ESG management often perform better and deliver superior returns over time. Engaging with companies to understand how they approach ESG management is an integral part of the investment process. Schroders has committed to the UN Global Compact, amongst codes and standards, and information about the application of Schroders' sustainability and responsible investment policies can be found at: https://www.schroders.com/en/sustainability/corporate-responsibility/.

The Board has received reporting from the Manager on the application of its policy.

Stakeholder engagement, section 172 of the Companies Act 2006

During the year under review, the Board discharged its duty under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of all stakeholders. As an externally managed investment trust, the Company has no employees, operations or premises. The Board identified its key stakeholders as the Company's Shareholders, the Manager, Investment Manager, the Company's Lender, other service providers and the Investee companies.

The following sections explain how the Directors have engaged with all stakeholders and outlines stakeholder considerations during the year.

Shareholders

The Board recognises the importance of engaging with shareholders on a regular basis in order to maintain a high level of transparency and accountability. The Board receives regular reports from the Investment Manager and broker on shareholder engagement, and the Investment Manager maintains regular and open dialogue with shareholders. The Manager also has a dedicated client services team which maintains regular contact with the Company's shareholders and reports regularly to the Board. Shareholders can also contact the Chairman and Directors throughout the year via the Company Secretary or the Corporate Broker. The Chairman and Senior Independent Director are also available to meet major shareholders to understand their views and to help inform the Board's decision making process. The Company maintains webpages from which copies of the annual and half year reports along with factsheets and other relevant materials are available. Shareholders are also invited to attend the AGM at which they have the opportunity to speak directly with Directors and Investment Manager.

The Manager and Investment Manager

The Board's main working relationship is with the Manager, who is responsible for the Company's portfolio management (including asset allocation, stock and sector selection) and risk management, as well as functions such as secretarial, accounting and marketing services. The Manager has subdelegated portfolio management to the Investment Manager. The Board maintains a constructive and collaborative relationship with the Manager and Investment Manager, encouraging open discussion. The Board invites the Investment Manager to attend all Board and certain committee meetings and receives regular reports on the performance of the investments and the implementation of the investment strategy, policy and objective. The portfolio activities undertaken by the Investment Manager and the impact of decisions affecting investment performance are set out in the Investment Manager's Review on pages 6 to 12. The Management Engagement Committee reviews the performance of the AIFM and Investment Manager, their remuneration and the discharge of their contractual obligations at least annually.

The Company's lender

During the year under review, the Board renewed its revolving credit facility Agreement with The Bank of Nova Scotia, London Branch. The credit facility provides the option for the Investment Manager to leverage the portfolio, with the aim of enhancing long term returns to shareholders as opportunities arise. The Board is responsible for ensuring that the Company adheres to all existing covenants.

Other service providers, including: depositary and custodian, registrar, corporate broker, legal counsel, third-party research provider

The Board maintains regular contact with its key service providers, both at the Board and committee meetings, and through ad hoc communication during the year. The need to foster business relationships with key service providers is central to the Directors' decision-making as the Board of an externally managed investment trust. During the year, the Management Engagement Committee undertook reviews of the third-party service providers and agreed that their continued appointment remained in the best interests of the Company and its Shareholders. The committee periodically reviews the market rates for services received, to ensure that the Company continues to receive high quality service at a competitive cost. Where available, the internal controls reports of the Company's service providers are reviewed by the Audit and Risk Committee and Directors also attended a meeting during the year to assess the internal controls of certain service providers including the Company's Depositary and Custodian HSBC, the registrar, Equiniti, Schroder's Group Internal Audit and HSBC Securities Services (UK) Limited, as the provider of certain accounting and administrative services delegated by Schroder Investment Management Limited. These meetings enable the Board to conduct due diligence on operations and IT risks amongst service providers; and to receive up to date information on changes to regulation and market practice in the industry.

Investee companies

The Board recognises the importance of good stewardship and communication with investee companies in meeting the Company's investment objective and strategy. The Investment Management team conducts meetings with portfolio companies' management teams to understand current trading as well as the longer term prospects for their businesses, and to help understand the ESG risks to the investment. Additional engagements on ESG areas of concern will also be undertaken with investee companies. The Investment Manager has discretionary powers to exercise the Company's voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Investment Manager reports to the Board on stewardship (including voting) issues and the Board has the opportunity to question the rationale for voting decisions made. Through engagement and exercising voting rights, the Investment Manager actively works with companies to improve corporate standards, transparency and accountability.

Additional information is set out in the following table on the Manager's engagement in respect of portfolio holdings and voting.

	As at 30 September 2023
Number of companies engaged with	38
Number of engagement discussion topics	105
Invested companies engaged with (%)	53
Shareholder meetings voted at	80
Number of proposals voted on	661
Number of votes against management	45
Votes against management (%)	6.5

Specific examples of stakeholder consideration during the year

The Directors were particularly mindful of stakeholder considerations in reaching the following key decisions during the year ended 30 September 2023:

- the Board agreed with the Manager to reduce the management fee, further details in respect of which are set out in the Directors' Report;
- the Board continued the strategy to buy back shares which provides a degree of liquidity when the discount widens;
- the Board continued to consider Board succession planning, as it recognises the benefits of regular Board refreshment. Rupert Hogg was appointed as a non-executive Director on 1 May 2023;
- the Board entered into an amendment and restatement agreement in June 2023 in respect of the multicurrency revolving facility agreement originally dated 23 June 2022. Given the specific requirements of the Company and various factors, including the interest rate environment, the Board, when considering the renewal of the facility, concluded that the one year revolving credit facility remained the most appropriate arrangement and The Bank of Nova Scotia, London Branch the most appropriate provider of the facility;
- the Board undertook its annual visit, together with the Investment Manager, to the region and visited India and Singapore to undertake due diligence meetings with consultants and investee companies and review Schroders capabilities in the region; and
- the Board has declared a final dividend of 12.00p per ordinary share (2022: 12.00p) which, if approved by shareholders at the AGM on 31 January 2024 will be paid on 9 February 2024.

Following the year end, the Board undertook its annual visit, together with the Investment Manager, to the region and visited Vietnam and Hong Kong.

Principal and emerging risks and uncertainties

The Board, through its delegation to the Audit and Risk Committee, is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. The Board has adopted a detailed matrix of principal, and where applicable emerging, risks affecting the Company's business as an investment trust and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Audit and Risk Committee on an ongoing basis. This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives. Both the principal and emerging risks and the monitoring system are also subject to robust review at least annually. The last assessment took place in November 2023.

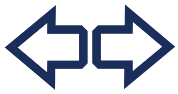
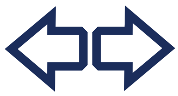
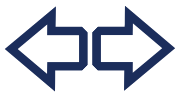
During the year, the Board discussed and monitored a number of risks which could potentially impact the Company's ability to meet its strategic objectives. The Board received updates from the Manager, Company Secretary and other service providers on emerging risks that could affect the Company. The Board was mindful of the following risks during the year: the escalating conflict in Israel, the ongoing conflict in Ukraine, rising inflation and interest rates, the threat of a global recession and increasing energy prices. These risks were not seen as new principal or emerging risks but those that exacerbate existing risks and have been incorporated in the geopolitical and market sections in the table below.

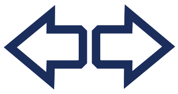
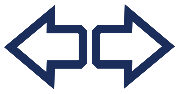
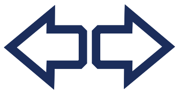
Geopolitical risk includes the impact of regional tensions, trade wars and sanctions against companies. The Board continued to monitor events in the Middle East following Hamas' attack on Israel in early October 2023 and the Russian invasion of Ukraine, ongoing pressure in the Asia-pacific region, slowing economic growth in China and supply chains. The Board is also mindful that changes to financial and public policy could impact the Company in the future. ESG risk includes climate change risk and how it could affect the Company's investments, and potentially shareholder returns. ESG considerations, including climate change are embedded in the investment process and greater transparency continues to be provided in Board reporting and the annual report. The Board will continue to monitor this closely. Further details are provided in respect of geopolitical and ESG risks in the table below.

Although the Board believes that it has a robust framework of internal controls in place this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk. Actions taken by the Board and, where appropriate, its committees, to manage and mitigate the Company's principal risks and uncertainties are set out in the table below.

The "Change" column on the right highlights at a glance the Board's assessment of any increases or decreases in risk during the year after mitigation and management. The arrows in the change column show the risks as increased or decreased or unchanged.

Risk	Mitigation and management	Change
Strategic The requirements of investors change or develop in such a way as to diverge from the Company's investment objectives, resulting in a wide discount of the share price to NAV per share. The Company's cost base could become uncompetitive, including fees, against the peer group and against open-ended alternatives.	The appropriateness of the Company's investment remit is periodically reviewed and the success of the Company in meeting its stated objectives is monitored. The share price relative to NAV per share is monitored and the use of buy back authorities is considered on a regular basis. The marketing and distribution activity is regularly reviewed. The Company engages proactively with investors. The Management Engagement Committee reviews fees paid to the Manager at least annually. The ongoing competitiveness of all service provider fees is subject to periodic benchmarking against their competitors. The monitoring of fees charged by other service providers takes place alongside an annual review of the Company's Ongoing Charges figure. The Board approves significant non-routine expenses.	
Geopolitical Political developments globally might materially affect the ability of the Company to achieve its investment objective. Risks include regional tensions, trade wars and sanctions against companies, in areas which the Company invests or may invest, that might have consequences for the Company including an adverse effect on the value of the Company's assets.	The Board continued to monitor key political developments in the Asia Pacific region, in addition to the Ukraine war and the increasing tension in the Middle East as a result of the conflict between Hamas and Israel. It was recognised that there continues to be an elevated geopolitical risk relating to the region. Subject to shareholder consent, the Board can amend the investment policy and objective of the Company to mitigate these risks.	

Risk	Mitigation	Change
Market A significant fall in regional equity markets could have an adverse impact on the market value of the Company's underlying investments. The Company invests predominantly in assets which are denominated in a range of currencies. Its exposure to changes in the exchange rate between sterling and other currencies has the potential to have significant impact on returns and the sterling value of dividend income from underlying investments.	The Board continues to monitor the market volatility caused by current geopolitical issues and will continue to do so on an ongoing basis. The Board recognises that there continues to be a currency / exchange rate risk relating to the region and monitored it carefully during the period. The Board also monitors macroeconomic and market factors, including the impact of inflation. The Company has no formal policy of hedging currency risk but may use foreign currency borrowings or forward foreign currency contracts to limit exposure. The Company does not hedge against sterling. The risk profile of the portfolio is considered and appropriate strategies to mitigate any negative impact of substantial changes in markets are discussed with the Investment Managers. The Investment Manager seeks to invest in companies with strong balance sheets and sustainable business models.	
Investment Management The Manager's investment strategy and levels of resourcing, if inappropriate, may result in the Company underperforming the market and/or peer group companies, leading to the Company and its objectives becoming unattractive to investors.	Regular review of: — investment performance; — NAV and share price performance including discount against the peer group; and — whether appropriate strategies are employed to mitigate any negative impact of substantial changes in markets. The Manager reports on macro-economic events, including regional policies, quarterly and more frequently in response to events, if considered necessary. Annual review of the ongoing suitability of the Manager. Regular meetings with major shareholders to seek their views with respect to Company matters.	
Custody Safe custody of the Company's assets may be compromised through control failures by the depositary.	The depositary reports on the safe custody of the Company's assets, including cash and portfolio holdings which are independently reconciled with the Manager's records. The review of audited internal controls reports covering custodial arrangements is undertaken. An annual report from the depositary on its activities, including matters arising from custody operations is received.	
Gearing and leverage The Company utilises credit facilities. These arrangements increase the funds available for investment through borrowing. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance.	Gearing is monitored and strict restrictions on borrowings are imposed: gearing continues to operate within pre-agreed limits so as not to exceed 20% of the Company's net assets. Generally, gearing is maintained at relatively low levels.	

Risk	Mitigation	Change
Accounting, legal and regulatory change In order to continue to qualify as an investment trust, the Company must comply with the requirements of Section 1158 of the Corporation Tax Act 2010. Breaches of the UK Listing Rules, the Companies Act or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes.	The Board intends to continue to operate the Company in full compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, compliance is confirmed by the external auditor. The confirmation of compliance with relevant laws and regulations by key service providers is reviewed. Shareholder documents and announcements, including the annual report, are subject to stringent review processes. Procedures are established to safeguard against the disclosure of inside information.	
Climate change ESG requirements including climate change and climate-related risks could impact the Company's business and affect revenue, expenses, asset values or the cost or availability of capital.	The consideration of climate change risks and ESG factors is integrated into the investment process and reported at regular Board meetings. The Investment Manager considers and evaluates the approach investee companies take to recognise and mitigate climate change risks. The Manager has implemented a comprehensive ESG policy which is outlined in detail on pages 20 to 23.	
Third party services The Company has no employees and has delegated certain functions to a number of service providers. Failure of controls, including as a result of fraud, and poor performance of any service provider, could lead to disruption, reputational damage or loss of shareholders' assets.	Service providers appointments are subject to due diligence processes and with clearly documented contractual arrangements detailing service expectations. Regular reports are provided by key service providers and the quality of their services is monitored. Monitoring includes an annual presentation to the Chair of the Audit and Risk Committee and other Directors from key risk and internal controls personnel. Review of annual audited internal controls reports from key service providers, including confirmation of business continuity arrangements and IT controls.	
Cyber The Company's service providers are all exposed to the risk of cyber-attacks. Cyber-attacks could lead to loss of personal or confidential information, unauthorised payments or inability to carry out operations in a timely manner.	The Company's service providers report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyber-attack.	

Risk assessment and internal controls review by the Board

Risk assessment includes consideration of the scope and quality of the systems of internal control operating within key service providers, and ensures regular communication of the results of monitoring by such providers to the Audit and Risk Committee, including the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition.

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment which has been in place throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company.

A full analysis of the financial risks facing the Company is set out in note 20 to the accounts on pages 65 to 70.

Viability statement

The Directors have assessed the viability of the Company over a five year period, taking into account the Company's position at 30 September 2023 and the potential impact of the principal and emerging risks it faces for the review period. This is further detailed in the Chairman's Statement, Investment Managers' Review and Principal and Emerging Risks sections of this report. The Directors have assessed the Company's operational resilience and they are satisfied that the Company's outsourced service providers will continue to operate effectively.

The Board believes that a period of five years reflects a suitable time horizon for strategic planning, taking into account the investment policy, liquidity of investments, potential impact of economic cycles, nature of operating costs, dividends and availability of funding.

In its assessment of the viability of the Company, the Directors have considered each of the Company's principal and emerging risks detailed on pages 27 to 29 and in particular the impact of a significant fall in regional equity markets on the value of the Company's investment portfolio. The Directors have also considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary.

The Directors also considered the beneficial tax treatment the Company is eligible for as an investment trust. If changes to these taxation arrangements were to be made it would affect the viability of the Company to act as an effective investment vehicle.

Whilst the Company's articles of association require that a proposal for the continuation of the Company be put forward at the Company's AGM in 2026, the Directors have no reason to believe that such a resolution will not be passed by shareholders.

The Directors also considered a stress test in which the Company's NAV dropped by 50% and noted that, based on the assumptions in the test, the Company would continue to be viable over a five year period.

Based on the Company's processes for monitoring operating costs, the Board's view that the Manager has the appropriate depth and quality of resource to achieve superior returns in the longer term, the portfolio risk profile, limits imposed on gearing, counterparty exposure, liquidity risk and financial controls, the Directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of their assessment.

Going concern

The Directors have assessed the principal risks, the impact of the emerging risks, the net current liability position and the matters referred to in the viability statement. Based on the work the Directors have performed, they have not identified any material events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 31 December 2024 which is at least 12 months from the date the financial statements were authorised for issue.

By order of the Board

Schroder Investment Management Limited
Company Secretary

5 December 2023

Governance

Governance

Board of Directors

James Williams

Status: Independent non-executive Chairman

Length of service: 9 years – appointed a Director in August 2014 and the Chairman with effect from 1 February 2021

Experience: James Williams has over 30 years' international business experience, including nearly 20 years in the investment banking industry, having held senior roles in Asia and Europe at ING Barings, ABN AMRO and Commerzbank. Following his departure from Commerzbank, he became a partner at Saginaw Capital LLP until 2008. James is also a non-executive Director of The European Smaller Companies Trust PLC and of Net Zero One Ltd.

Committee membership: Audit and Risk, Management Engagement and Nomination Committees

Current remuneration: £49,000 (from 1 October 2023)

Number of shares held: 20,000*

Keith Craig

Status: Independent non-executive Director

Length of service: 8 years – appointed a Director in May 2015

Experience: Keith Craig served with the British Army after university and subsequently joined the Swire Group in Hong Kong and Manila in the 1980s and early 1990s. He was then a diplomat with the Foreign & Commonwealth Office for some years before moving back to Asia as a stockbroker, establishing WI Carr's business in the Philippines and subsequently running their global equity sales and trading operation, based in Hong Kong. He returned to London in 2000 and was CEO of Hakluyt, a strategic intelligence company, until 2017, when he founded Westbury Partners. Keith is Chairman of the International Advisory Council of PJT Partners and a member of the advisory boards of the Bodleian Library and Cancer Research UK.

Committee membership: Audit and Risk, Management Engagement and Nomination Committees (Chair of Nomination Committee)

Current remuneration: £36,000 per annum (from 1 October 2023)

Number of shares held: 12,581*

Julia Goh

Status: Independent non-executive Director

Length of service: 2 years – appointed a Director in October 2021 and as the Chair of the Audit and Risk Committee on 1 February 2022

Experience: Julia Goh has broad-based financial services experience in London. She was a Managing Director at Barclays Investment Bank in various senior front-office positions including as Chief Operating Officer of Global Markets, and was also Chair of the Barclays Women's Initiative Network. Prior to that, she was a Managing Director and the Global Head of Prime Services Risk at Credit Suisse for 11 years. Julia started her Markets career at Nomura International as a risk manager. A Singaporean, Julia came to London in 1987 and obtained her BSc from the London School of Economics and Political Science and a MSc from Bayes Business School. She is a fellow of the ICAEW (alumnus PWC in corporate tax) and has a Certificate in Company Direction from the Institute of Directors. Julia is an independent non-executive Director of The Mercantile Investment Trust plc, Pension Insurance Corporation plc and also of its parent company, Pension Insurance Corporation Group, and a Director of the charity, Children of the Mekong.

Committee membership: Audit and Risk, Management Engagement and Nomination Committees (Chair of Audit and Risk Committee)

Current remuneration: £44,000 per annum (from 1 October 2023)

Number of shares held: 15,000*

Vivien Gould

Status: Independent non-executive Director

Length of service: 4 years – appointed a Director in May 2019

Experience: Vivien Gould has worked in the financial services sector since 1981. She was a founder Director of River & Mercantile Investment Management Limited (1985) and served there as a senior executive and deputy managing Director until 1994. She then served on the boards of a number of listed investment trusts, investment management companies and other financial companies. She also served on the boards of a number of charities, including the Stroke Association, where she chaired the investment committee. Vivien is currently a non- executive Director and Senior Independent Director of The Lindsell Train Investment Trust PLC, a non-executive director of Baring Emerging EMEA Opportunities PLC, Third Point Investors Limited, and National Philanthropic Trust UK.

Committee membership: Audit and Risk, Management Engagement and Nomination Committees

Current remuneration: £36,000 per annum (from 1 October 2023)

Number of shares held: 5,000*

Rupert Hogg

Status: Independent non-executive Director

Length of service: six months – appointed a Director in May 2023

Experience: Rupert Hogg has more than 30 years international business experience gained through senior executive level positions in various large and complex organisations. He joined John Swire & Sons Limited, part of the Swire conglomerate of businesses, in 1986 and worked with the group in Hong Kong, Southeast Asia, India, Korea, Australia and the United Kingdom. He was Chief Executive Officer of Cathay Pacific Airways Limited and Chairman of Hong Kong Dragon Airlines Limited between May 2017 and August 2019. Previously, he had served as Chief Operating Officer of Cathay Pacific Airways Limited, was a Director of Cathay Pacific and John Swire & Sons (H.K.) Limited, Chairman of AHK Air Hong Kong Limited and a Director and Chairman of the executive committee of Cathay Dragon. Rupert holds a Master of Arts degree in History from Edinburgh University.

Committee membership: Audit and Risk, Management Engagement and Nomination Committees.

Current remuneration: £36,000 per annum (from 1 October 2023)

Number of shares held: 2,100*

Martin Porter

Status: Senior Independent non-executive Director

Length of service: 6 years – appointed a Director in October 2017 and as the Senior Independent Director with effect from 1 February 2022 and

Experience: Martin Porter joined Robert Fleming Asset Management in 1984, and ran equity portfolios in both London and Japan. During his tenure in Japan, he became a holding board Director of Jardine Fleming, responsible for the Japanese business. Returning to the UK in 2000, Martin took up the role of Chief Investment Officer, Equity and Balanced of Fleming Asset Management, before becoming Global Head of Equities of JP Morgan Asset Management, a position he held from 2003 to 2016 when he retired.

Committee membership: Audit and Risk, Management Engagement and Nomination Committees (Chair of Management Engagement Committee)

Current remuneration:
£36,000 per annum (from 1 October 2023)

Number of shares held: 20,000*

*Shareholdings are as at 5 December 2023, full details of Directors' shareholdings are set out in the Remuneration Report on page 45.

The Directors submit their report and the audited financial statements of the Company for the year ended 30 September 2023.

Directors and officers

Chairman

The Chairman is an independent non-executive Director who is responsible for leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chairman's biography is detailed on page 32. He has no conflicting relationships.

Senior Independent Director ("SID")

The SID is responsible for the evaluation of the Chairman, and also serves as a secondary point of contact for shareholders.

Company Secretary

Schroder Investment Management Limited provides company secretarial support to the Board and is responsible for assisting the Chairman with Board meetings and advising the Board with respect to governance. The Company Secretary also manages the relationship with the Company's service providers, except for the Manager. Shareholders wishing to lodge questions in advance of the AGM are invited to do so by writing to the Company Secretary at the address given on the outside back cover or by email to: amcompanysecretary@schroders.com.

Role and operation of the Board

The Board (of six Directors, listed on pages 32 and 33) is the Company's governing body; it sets the Company's strategy and is collectively responsible to shareholders for its long- term success. The Board is responsible for appointing and subsequently monitoring the activities of the Manager and other service providers to ensure that the investment objective of the Company continues to be met. The Board also ensures that the Manager adheres to the investment restrictions set by the Board and acts within the parameters set by it in respect of any gearing. The Strategic Report on pages 17 to 30 sets out further detail of how the Board reviews the Company's strategy, risk management and internal controls. These sections form part of this Directors' Report.

A formal schedule of matters specifically reserved for decision by the Board has been defined and a procedure adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

The Chairman ensures that all Directors receive relevant management, regulatory and financial information in a timely manner and that they are provided, on a regular basis, with key information on the Company's policies, regulatory requirements and internal controls.

Four Board meetings are usually scheduled each year to deal with matters including: the setting and monitoring of investment strategy; approval of borrowings and/or cash positions; review of investment performance, the level of discount of the Company's shares to NAV per share, promotion of the Company and services provided by third parties. Additional meetings of the Board are arranged as required. At each scheduled Board meeting the Directors receive reports from the Manager, other key service providers and the Company's advisers. Ad hoc reports and information are supplied to the Board as required.

The Board has approved a policy on Directors' conflicts of interest. Under this policy, Directors are required to disclose all actual and potential conflicts of interest to the Board as they arise for consideration and approval. The Board may impose restrictions or refuse to authorise such conflicts if deemed appropriate. No Directors have any connections with the Manager, shared directorships with other Directors or material interests in any contract which is significant to the Company's business.

Key service providers

The Board has adopted an outsourced business model and has appointed the following key service providers:

Manager

The Company is an alternative investment fund as defined by the AIFM Directive and has appointed Schroder Unit Trusts Limited ("SUTL") as the Manager in accordance with the terms of an alternative investment fund manager ("AIFM") agreement. The AIFM agreement, which is governed by the laws of England and Wales, can be terminated by either party on six months' notice or on immediate notice in the event of certain breaches or the insolvency of either party. As at the date of this report no such notice had been given by either party.

SUTL is authorised and regulated by the FCA and provides portfolio management, risk management, accounting and company secretarial services to the Company under the AIFM agreement. The Manager also provides general marketing support for the Company and manages relationships with key investors, in conjunction with the Chairman, other Board members or the Corporate Broker as appropriate. The Manager has delegated investment management, administrative, accounting and company secretarial services to another wholly owned subsidiary of Schroders plc, Schroder Investment Management Limited which delegates certain accounting and administrative services to HSBC Securities Services (UK) Limited. The Manager has in place appropriate professional indemnity cover.

The Schroders Group manages £724.3 billion (as at 30 September 2023) on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income, multi-asset and alternatives.

Until 1 April 2023, under the terms of the AIFM agreement, the Manager was entitled to a fee of 0.75% per annum on the first £600 million of the cum income net assets, and 0.70% per annum on the cum income net assets in excess of £600 million.

Under the revised terms of the AIFM agreement, effective from 1 April 2023, the Manager is entitled to a fee of 0.75% per annum of the first £600 million of the cum income net assets and 0.60% per annum on the cum income net assets in excess of £600 million. The company secretarial fee is fixed at £150,000 per annum.

Chargeable assets represent total assets less current liabilities other than short-term borrowings, less any cash up to the level of borrowings.

The management fee payable in respect of the year ended 30 September 2023 amounted to £6,208,000 (2022: £6,913,00).

The company secretarial fee paid to the Manager in the year ended 30 September 2023 was £150,000 (2022: £150,000).

Details of amounts payable to the Manager are set out in note 4 on page 59 of this report.

The Board has reviewed the performance of the Manager during the year under review and continues to consider that it has the appropriate depth and quality of resource to deliver superior returns over the longer term. The Manager is supported by significant depth of knowledge and experience in Asia, with regional resources and local analysts. Thus, the Board considers that the

Manager's appointment under the terms of the AIFM agreement is in the best interests of shareholders as a whole.

Depositary

HSBC Bank plc, which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority, carries out certain duties of a depositary specified in the AIFM Directive including, in relation to the Company, as follows:

- safekeeping of the assets of the Company which are entrusted to it;
- cash monitoring and verifying the Company's cash flows; and
- oversight of the Company and the Manager.

The Company, the Manager and the depositary may terminate the depositary agreement at any time by giving 90 days' notice in writing. The depositary may only be removed from office when a new depositary is appointed by the Company.

Registrar

Equiniti Limited has been appointed as the Company's registrar. Equiniti's services to the Company include share register maintenance (including the issuance, transfer and cancellation of shares as necessary), acting as agent for the payment of any dividends, management of company meetings (including the registering of proxy votes and scrutineer services as necessary), handling shareholder queries and correspondence and processing corporate actions.

Compliance with the AIC Code of Corporate Governance

The Board of the Company has considered the principles and provisions of the AIC Code of Corporate Governance (the "AIC Code"). The AIC Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company. The Board considers that reporting against the Principles and Provisions of the AIC Code, provides more relevant information to shareholders.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adopts the Principles and Provisions set out in the UK Code to make them relevant for investment companies. The UK Code is available from the Financial Reporting Council's website at www.frc.org.uk.

The Financial Conduct Authority requires all UK listed companies to disclose how they have complied with the provisions of the UK Code. This statement, together with the Statement of Directors' Responsibilities, viability statement and going concern statement set out on pages 46 and 30 respectively, indicates how the Company has complied with the principles of good governance of the AIC Code and its requirements on internal control. The Strategic Report and Directors' Report provide further details on the Company's internal controls (including risk management), governance and diversity policy.

The Board is satisfied that the Company's current governance framework is compliant with the AIC Code. The Nomination Committee reviews Directors' remuneration and as such there is no separate remuneration committee.

Revenue, final dividend and dividend policy

The net revenue return for the year, after finance costs and taxation, was £18,990,000 (2022: £19,673,000), equivalent to a revenue return per ordinary share of 12.06 pence (2022: 12.04 pence).

The Board has recommended the payment of a final dividend for the year ended 30 September 2023 of 12.00 pence per share (2022: 12.00 pence) payable on 9 February 2024 to shareholders on the register on 29 December 2023, subject to approval by shareholders at the AGM on 31 January 2024.

The Board's policy is to pay out substantially all the Company's revenue.

Committees

In order to assist the Board in fulfilling its governance responsibilities, it has delegated certain functions to committees. The roles and responsibilities of these committees, together with details of work undertaken during the year under review, is outlined over the next few pages.

The reports of the Audit and Risk Committee, Management Engagement Committee and Nomination Committee are incorporated into and form part of the Directors' Report. Each committee's effectiveness was assessed, and judged to be satisfactory, as part of the Board's annual review of the Board and its committees.

Other required Directors' Report disclosures under laws, regulations, and the AIC Code

Status

The Company carries on business as an investment trust. Its shares are listed and admitted to trading on the premium segment of the main market of the London Stock Exchange. It has been approved by HM Revenue & Customs as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010, by way of a one-off application and it is intended that the Company will continue to conduct its affairs in a manner which will enable it to retain this status.

The Company is domiciled in the UK and is an investment company within the meaning of section 833 of the Companies Act 2006. The Company is not a "close" company for taxation purposes.

The articles of association contain provisions requiring the Directors to put a proposal for the continuation of the Company to shareholders at the Annual General Meeting ("AGM") in 2026 and thereafter at five yearly intervals.

Share capital and substantial share interests

As at the date of this report, the Company had 153,465,716 ordinary shares of 10p in issue. No shares were held in treasury.

During the year under review 6,000,000 ordinary shares with a nominal value of 10p per share, which represented 3.73% of the Company's ordinary shares in issue at the start of the year, were bought back. All ordinary shares bought back were subsequently cancelled.

Details of changes to the Company's share capital during the year under review are given in note 14 to the accounts on page 62. All shares in issue rank equally with respect to voting, dividends and any distribution on winding up. The Company has received notifications in accordance with the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 5.1.2R of the below interests in 3% or more of the voting rights attaching to the Company's issued share capital.

As at 30 September 2023	Date of announcement	Number of shares in announcement	% of voting rights as at 30 September 2023[1]
City of London Investment Management Company Limited	22 September 2023	21,755,032	14.05
Rathbones Investment Management Limited	22 September 2023	18,702,783	12.08
Schroders plc	21 January 2014	8,483,022	5.48
abrdn	3 July 2019	8,299,097	5.36
Allspring Global Investments Holdings, LLC	10 November 2021	8,277,161	5.35
Wells Capital Management	9 November 2017	8,255,649	5.33
Lazard Asset Management LLC	4 November 2022	7,911,876	5.11

[1]Based on the shares included in the announcement.

Following the year end Rathbones Investment Management Limited notified the Company that their interest in the voting rights attaching to the Company's issued share capital had changed to 18,477,070 ordinary shares, 12.00% of the total voting rights.

Directors' attendance at meetings

The number of scheduled meetings of the Board and its committees held during the financial year and the attendance of individual Directors is shown below. Whenever possible all Directors attend the AGM. The Board also met for a small number of additional, ad hoc, meetings during the year to address time sensitive matters that arose between scheduled quarterly meetings. These meetings were generally held at short notice and attended by those Directors available at the time.

Director	Board	Audit and Risk Committee	Management Engagement Committee	Nomination Committee
James Williams	4/4	2/2	1/1	1/1
Keith Craig	4/4	2/2	1/1	1/1
Julia Goh	4/4	2/2	1/1	1/1
Vivien Gould	4/4	2/2	1/1	1/1
Rupert Hogg[1]	2/2	1/1	1/1	1/1
Martin Porter	4/4	2/2	1/1	1/1

[1]Rupert Hogg was appointed on 1 May 2023.

Provision of information to the auditor

The Directors at the date of approval of this report confirm that, so far as each of them is aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' and officers' liability insurance and indemnities

Directors' and officers' liability insurance cover was in place for the Directors throughout the year. The Company's articles of association provide, subject to the provisions of UK legislation, an indemnity for Directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgment is given in their favour by the Court.

This is a qualifying third party indemnity policy and was in place throughout the year under review for each Director and to the date of this report.

By order of the Board

Schroder Investment Management Limited
Company Secretary

5 December 2023

The responsibilities and work carried out by the Audit and Risk Committee during the year under review are set out in the following report. The duties and responsibilities of the committee, which include monitoring the integrity of the Company's financial reporting and internal controls, are set out in further detail below, and may be found in the terms of reference which are set out on the Company's webpages, www.schroders.co.uk/asiapacific.

All Directors are members of the committee. Julia Goh is the Chair of the Committee. The Board has satisfied itself that at least one of the committee's members has recent and relevant financial experience and that the committee as a whole has competence relevant to the sector in which the Company operates. The AIC Code permits the Chairman of the Board to be a member of the audit committee of an investment trust. Recognising James Williams' significant experience, it is considered appropriate for the Chairman to be a member of the Audit and Risk Committee.

Approach

The committee's key roles and responsibilities are set out in the table below.

Risks and Internal Controls	Financial Reports and Valuation	Audit
Principal risks To establish a process for identifying, assessing, managing and monitoring the principal risks of the Company.	**Financial statements** To monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and valuation. To review the half year report.	**Audit results** To discuss any matters arising from the audit and recommendations made by the auditor.
Emerging risks To ensure a robust assessment of the Company's emerging risks and procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.	**Going concern** To review the position and make recommendations to the Board in relation to whether it considers it appropriate to adopt the going concern basis of accounting in preparing its annual and half-yearly financial statements.	**Auditor appointment, independence and performance** To make recommendations to the Board, in relation to the appointment, reappointment, effectiveness and removal of the external auditor, to review their independence, and to approve their remuneration and terms of engagement. Reviewing and agreeing the audit plan and engagement letter.

The below table sets out how the committee discharged its duties during the year. The committee met twice during the year. Further details on attendance can be found on page 36. An evaluation of the committee's effectiveness and review of its terms of reference was completed during the year.

Significant issues identified during the committee's review of the Company's principal and emerging risks, and key matters communicated by the auditor during its reporting are included below.

Application during the year

Risks and Internal Controls	Financial Reports and Valuation	Audit
Service provider controls Reviewing the operational controls maintained by the Manager, administrator, depositary and registrar.	**Recognition of investment income** Considered dividends received against forecast and the allocation of special dividends to income or capital.	**Effectiveness of the independent audit process and auditor performance** Evaluated the effectiveness of the independent audit firm and process prior to making a recommendation that it should be re-appointed at the forthcoming AGM. Evaluated the auditor's performance against agreed criteria including: qualification; knowledge, expertise and resources; independence policies; effectiveness of audit planning; adherence to auditing standards; and overall competence was considered, alongside feed back from the Manager on the audit process. The committee noted the auditor had demonstrated its professional scepticism during the audit.
Internal controls and risk management Consideration of several key aspects of internal control and risk management operating within the Manager, depositary, custodian and registrar, including assurance reports and presentations on these controls.	**Calculation of the investment management fee** Consideration of methodology used to calculate the fees, matched against the criteria set out in the AIFM agreement.	**Auditor independence** Ernst & Young LLP has provided audit services to the Company for five years, since appointment by the Company on 25 July 2019 to audit the financial statements for the year ended 30 September 2019 and subsequent financial periods. The auditor is required to rotate the senior statutory auditor every five years. There are no contractual obligations restricting the choice of external auditor. This is the fifth year that the senior statutory auditor, Caroline Mercer has conducted the audit of the Company's financial statements. Accordingly, this is the last audit for which Ms Mercer will act as the senior statutory auditor for the Company. The Company is compliant with the provisions of the September 2014 Competition and Markets Authority Order, which requires that FTSE 350 companies put their audit out to tender at least every ten years.
Compliance with the investment trust qualifying rules in S1158 of the Corporation Tax Act 2010 Consideration of the Manager's report confirming compliance.	**Overall accuracy of the annual report and accounts** Consideration of the draft annual report and accounts and the letter of representation from the Manager in support of the letter of representation to the auditor.	**Audit results** Met with and reviewed a comprehensive report from the auditor which detailed the results of the audit, compliance with regulatory requirements, safeguards that have been established, and on their own internal quality control procedures.

Application during the year

Risks and Internal Controls	Financial Reports and Valuation	Audit
Principal risks Reviewing the principal risks faced by the Company and the system of internal control.	**Valuation and existence of holdings** Quarterly review of portfolio holdings and assurance reports.	**Meetings with the auditor** Met the auditor without representatives of the Manager present. Representatives of the auditor attended the committee meeting at which the draft annual report and accounts were considered.
Emerging risks Reviewing the emerging risks for the Company.	**Fair balanced and understandable** Reviewed the annual report and accounts to ensure that it was fair, balanced and understandable.	**Provision of non-audit services by the auditor** The committee has reviewed the FRCs Guidance on Audit Committees and has formulated a policy on the provision of non-audit services by the Company's auditor. The committee has determined that the Company's appointed auditor will not be considered for the provision of certain non-audit services, such as accounting and preparation of the financial statements, internal audit and custody. The auditor may, if required, provide other non-audit services which will be judged on a case-by-case basis. The auditor did not provide any non-audit services to the Company during the year.
	Going concern and viability Reviewing the impact of risks on going concern and longer-term viability.	**Consent to continue as auditor** Ernst & Young LLP indicated to the committee their willingness to continue to act as auditor.

Recommendations made to, and approved by, the Board:

As a result of the work performed, the committee has concluded that the annual report for the year ended 30 September 2023, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 46.

Having reviewed the performance of the auditors as described above, the committee considered it appropriate to recommend the firm's re-appointment. Resolutions to re-appoint Ernst & Young LLP as auditor to the Company, and to authorise the Directors to determine their remuneration will be proposed at the AGM.

Julia Goh
Chair of the Audit and Risk Committee

Management Engagement Committee Report

The Management Engagement Committee is responsible for (1) the monitoring and oversight of the Manager's performance and fees, and confirming the Manager's ongoing suitability, and (2) reviewing and assessing the Company's other service providers, including reviewing their fees. All Directors are members of the committee. Martin Porter is the Chair of the committee. Its terms of reference are available on the Company's webpages, www.schroders.co.uk/asiapacific.

Approach

The committee's key roles and responsibilities are set out in the table below.

Oversight of the Manager

The committee:

- reviews the Manager's performance, over the short and long term, against the Benchmark, peer group and the market;
- considers the reporting it has received from the Manager throughout the year and the reporting from the Manager to the shareholders;
- assesses management fees on an absolute and relative basis, receiving input from the Company's broker, including peer group and industry figures, as well as the structure of the fees;
- reviews the appropriateness of the Manager's contract including terms such as notice period; and
- assesses whether the Company receives appropriate administrative, accounting company secretarial and marketing support from the Manager.

Oversight of other service providers

The committee reviews the performance and competitiveness of the following service providers on at least an annual basis:

- Depositary and custodian
- Corporate Broker
- Registrar
- Lender

The committee also receives a report from the Company Secretary on ancillary service providers, and considers any recommendations.

The committee notes the Audit and Risk Committee's review of the auditor.

Application during the year

The committee undertook a detailed review of the Manager's performance and agreed that it has the appropriate depth and quality of resource to deliver superior returns over the longer term.

The committee reviewed the management fee and agreed a change with the Manager, resulting in a reduction in overall fees, from 1 April 2023, as detailed in the Chairman's Statement, on page 5.

The committee reviewed the other services provided by the Manager and agreed they were satisfactory.

The annual review of each of the service providers was satisfactory.

The committee noted that the Audit and Risk Committee had undertaken a review of the internal controls of the Company, the Manager, registrar, depositary and custodian. Further details are provided in the Audit and Risk Committee Report.

Recommendations made to, and approved by, the Board:

- That the ongoing appointment of the Manager on the terms of the AIFM agreement was in the best interests of shareholders as a whole.
- That the Company's service providers' performance remained satisfactory.
- That the fee structure be varied, as detailed in the Chairman's Statement.

Selection and ongoing assessment of Directors

The Nomination Committee is responsible for (1) the recruitment, selection and induction of Directors, (2) their assessment during their tenure, and (3) the Board's succession plans. All Directors are members of the committee. Keith Craig is the chair of the committee. Its terms of reference are available on the Company's webpages, www.schroders.co.uk/asiapacific.

Approach

The committee's key roles and responsibilities are set out in the table below.

Selection and induction	Board evaluation and Directors' fees	Succession
• The committee prepares a job specification for each role, and an independent recruitment firm is appointed. For the Chairman and the chairs of committees, the committee considers current Board members too. • A job specification outlines the knowledge, professional skills, personal qualities and experience requirements. • Potential candidates are assessed against the Company's diversity policy. • The committee discusses the long list, invites a number of candidates for interview and makes a recommendation to the Board. • The committee reviews the induction of new Directors. • Any new Director will be proposed for election by shareholders at the first AGM following appointment.	• The committee assesses each Director annually, with the SID leading the evaluation of the Chairman, and will use an external Board evaluator every three years. • The evaluation focuses on whether each Director continues to demonstrate commitment to their role and provides a valuable contribution to the Board during the year, taking into account time commitment, independence, conflicts and training needs. • Following the evaluation, the committee provides a recommendation to shareholders with respect to the annual re-election of Directors at the AGM. • All Directors retire at the AGM and their re-election is subject to shareholder approval. • The committee reviews Directors' fees, taking into account comparative data and reports to shareholders. No Directors are involved in making recommendations with respect to their own remuneration. • Any proposed changes to the remuneration policy for Directors is discussed and reported to shareholders.	• The Board's succession policy is that Directors' tenure, including that of the Chairman, will be for no longer than nine years, except in exceptional circumstances and that each Director will be subject to annual re-election at the AGM. • The committee reviews the Board's current and future needs at least annually. Should any need be identified the committee will initiate the selection process. • The committee oversees the handover process for retiring Directors.

Application during the year

Selection and induction

- The committee noted that following his appointment Rupert Hogg engaged in an induction programme.
- Rupert Hogg will be proposed for election as a Director at the AGM to be held on 31 January 2024, as set out in resolution 5 of the notice of annual general meeting.

Board evaluation and Directors' fees

- The annual Board and committee evaluation process was undertaken during the year, and the evaluation concluded in September 2023. This year the evaluation was undertaken internally by the completion of questionnaires and individual discussions by the Chairman with each Director. An externally facilitated review is conducted every three years. The next external review is due to be carried out in 2024.
- The committee also reviewed each Directors time commitment and independence by reviewing a complete list of appointments, including pro bono not for profit roles, to ensure that each Director remained free from conflict and had sufficient time available to discharge each of their duties effectively. The SID led the review of these matters in respect of the Chairman. All Directors were considered to be independent in character and judgement.
- The committee considered each Director's contributions, and noted that in addition to extensive experience as professionals and non-executive Directors, each Director had valuable skills and experience, as detailed in their biographies on pages 32 and 33.
- Based on its assessment the committee provided individual recommendations for each Director's re-election.
- The committee reviewed Directors' fees, using information on fees paid to directors of other investment trusts managed by Schroders and peer group companies, and recommended that Directors' fees should be increased with effect from 1 October 2023 for the year ending 30 September 2024. Further details are provided in the Remuneration Report.

Succession

- Rupert Hogg was recommended to the Board for appointment as a non-executive Director following the engagement of Cornforth Consulting to identify potential candidates for a new board appointment. Cornforth Consulting had no connection with the Company or any of the Directors.
- The committee reviewed the succession policy and agreed it was still fit for purpose.
- James Williams was appointed as Chairman on 3 February 2021 and it was announced that he would serve a maximum of five years in that role bringing continuity and experience to the position having served on the Board since 2014. In light of the Chairman now having served for nine years as a Director, his tenure and continued independence were reviewed by the Nomination Committee. The Nomination Committee subsequently concluded that it was appropriate that James Williams continue to serve as Chairman and, notwithstanding the length of tenure, he remains independent of the Manager in character and judgment. In forming this conclusion, the Nomination Committee recognised the Chairman's track record overseeing the Company through a challenging investment cycle which included the COVID-19 pandemic and the negotiation of a reduction in the management fee, effective from 1 April 2023. The Nomination Committee also considered the importance of maintaining continuity on the Board following the appointment of Rupert Hogg as a Director on 1 May 2023 and as Keith Craig will step down from the Board on 31 January 2024.

Recommendations made to, and approved by, the Board:

- That Rupert Hogg be appointed as a non-executive Director with effect from 1 May 2023.
- That Director's fees would be increased with effect from 1 October 2023.
- That all Directors remain independent, continue to demonstrate commitment to their roles, provide a valuable contribution to the deliberations of the Board, contribute towards the Company's long-term, sustainable success, and remain free from conflicts with the Company and its Directors, so should all be recommended for re-election by shareholders at the AGM.

Introduction

The following remuneration policy is currently in force and is subject to a binding vote every three years unless any changes are proposed to the policy in the meantime. The next vote would ordinarily be at the AGM to be held in 2026. However, it is proposed that a change is made to the remuneration policy, details of which are provided below, and a resolution to approve the revised policy will be proposed at the forthcoming AGM. The below Directors' annual report on remuneration is subject to an annual advisory vote. An ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM.

At the AGM held on 1 February 2023 when the policy was last voted on by shareholders, 99.87% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the Directors' remuneration policy were in favour, while 0.13% were against. 70,007 votes were withheld.

At the AGM held on 1 February 2023, 99.85% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the Directors' remuneration report for the year ended 30 September 2022 were in favour, while 0.15% were against. 76,993 votes were withheld.

Directors' remuneration policy

Following review of the Remuneration Policy by the Nomination Committee, it was concluded to propose a change to the overall remuneration structure to enable the SID to receive a higher rate fee than the other Directors. Under the existing policy only the Chairman and Chair of the Audit and Risk Committee are entitled to receive a higher fee to reflect their additional responsibilities. The Nomination Committee considered that the current remuneration structure did not adequately recognise the additional time commitment and responsibilities of the SID.

The proposed changes to the policy are highlighted in bold text in the policy set out below.

The determination of the Directors' fees is a matter dealt with by the Nomination Committee and the Board.

It is the Board's policy to determine the level of Directors' remuneration having regard to amounts payable to non-executive directors in the industry generally, the role that individual directors fulfil in respect of Board and committee responsibilities, and time committed to the Company's affairs, taking into account the aggregate limit of fees set out in the Company's articles of incorporation (currently £300,000). Any increase in the level set out therein requires approval by the Board and the Company's shareholders.

The Chairman of the Board, **~~and~~** the Chair of the Audit and Risk Committee and the **Senior Independent Director** each receive fees at a higher rate than the other Directors to reflect their additional responsibilities. The fees payable to Directors are not performance related. They are set at a level to recruit and retain individuals of sufficient calibre, with the level of knowledge, experience and expertise necessary to promote the success of the Company in reaching its short and long-term strategic objectives.

The Board and its committees exclusively comprise non- executive Directors. No director past or present has an entitlement to a pension from the Company, and the Company has not, and does not intend to, operate a share scheme for directors or to award any share options or long-term performance incentives to any director. No Director has a service contract with the Company, although Directors have a letter of appointment. Directors do not receive exit payments and are not provided with any compensation for loss of office. No other payments are made to Directors other than the reimbursement of reasonable out-of-pocket expenses incurred in attending to the Company's business.

Implementation of policy

The terms of Directors' letters of appointment are available for inspection at the Company's registered office address during normal business hours and during the AGM at the location of such meeting.

The Board did not seek the views of shareholders in setting this remuneration policy. Any comments on the remuneration policy received from shareholders would be considered on a case-by-case basis.

As the Company does not have any employees, no employee pay and employment conditions were taken into account when setting this remuneration policy and no employees were consulted in its construction.

Directors' fees are reviewed annually and take into account research from third parties on the fee levels of directors of peer group companies, as well as industry norms and factors affecting the time commitment expected of the Directors. New directors are subject to the provisions set out in this remuneration policy.

Directors' annual report on remuneration

This report sets out how the remuneration policy was implemented during the year ended 30 September 2023.

Remuneration Report for the year ended 30 September 2023

Fees paid to Directors

The following amounts were paid by the Company to Directors for their services in respect of the year ended 30 September 2023 and the preceding financial year. Directors' remuneration is all fixed; they do not receive any variable remuneration. The performance of the Company over the financial year is presented on page 16.

	Fees		Taxable benefits[1]		Total		Change in annual fee over years ended 30 September		
Director	2023 £	2022 £	2023 £	2022 £	2023 £	2022 £	2023 %	2022 %	2021 %
James Williams (Chairman)	**45,000**	45,000	**3,093**	484	**48,093**	45,484	**5.7**	13.3	31.5
Keith Craig	**33,000**	33,000	**762**	539	**33,762**	33,539	**0.7**	9.8	1.5
Julia Goh[2]	**40,000**	35,550	**2,043**	993	**42,043**	36,543	**15.1**	n/a	n/a
Vivien Gould	**33,000**	33,000	**3,258**	1,568	**36,258**	34,568	**4.9**	8.3	(1.9)
Rosemary Morgan[3]	**—**	13,443	**—**	1,594	**—**	15,037	**n/a**	n/a	0.6
Martin Porter	**33,000**	33,000	**763**	484	**33,763**	33,484	**0.8**	10.7	0.5
Rupert Hogg[4]	**13,750**	—	**439**	—	**14,189**	—	**n/a**	n/a	n/a
	197,750	192,993	**10,358**	5,662	**208,108**	198,655			

[1]Comprise amounts reimbursed for expenses incurred in carrying out business for the Company, and which have been grossed up to include PAYE and NI contributions.
[2]Appointed as a Director on 25 October 2021 and Chair of the Audit and Risk Committee on 1 February 2022.
[3]Retired from the Board on 1 February 2022.
[4]Appointed as a Director on 1 May 2023.

The information in the above table has been audited.

Consideration of matters relating to Directors' remuneration

Directors' remuneration was last reviewed by the Board in September 2023. The members of the Board at the time that remuneration levels were considered were as set out on pages 32 and 33. Although no external advice was sought in considering the levels of Directors' fees, information on fees paid to directors of investment trusts managed by Schroders and peer group companies provided by the Manager and corporate broker was taken into consideration.

Following annual review, the Board agreed that fees should be increased with effect from 1 October 2023 to the following levels: Chairman: £49,000, chair of the Audit and Risk Committee: £44,000, Director: £36,000. Subject to the passing of resolution 4, as set out in the notice of meeting, at the AGM on 31 January 2024 it is proposed, to recognise the additional time commitment and responsibilities of the SID that, following the AGM, the fee paid to the SID will increase to £40,000. The Board will continue to review fee levels on an annual basis.

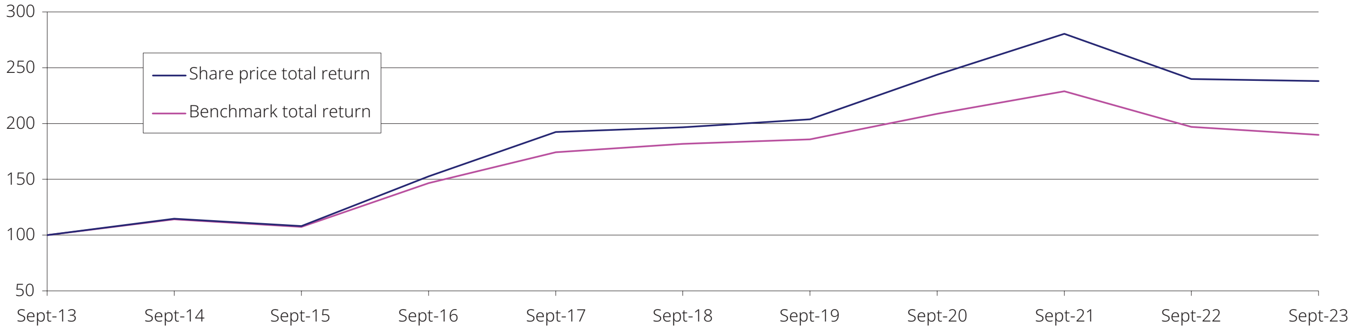
Expenditure by the Company on remuneration and distributions to shareholders

The table below compares the remuneration payable to Directors to distributions paid to shareholders during the year under review and the prior financial year. In considering these figures, shareholders should take into account the Company's investment objective.

	Year ended 30 September 2023	Year ended 30 September 2022	Change
	£000	£000	%
Remuneration payable to Directors	**208**	199	4.5
Distributions paid to shareholders			
– Dividends paid during the year	**19,030**	15,922	
– Share buy backs	**29,775**	21,653	
Total distributions paid to shareholders	**48,805**	37,575	29.9

The information in the above table has been audited.

10 year performance of the share price total return versus the MSCI All Countries Asia ex Japan Index, with net dividends reinvested, in sterling terms



Source: Morningstar. Rebased to 100 at 30 September 2013.

The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted.

The MSCI All Countries Asia ex Japan Index with net dividends reinvested, sterling adjusted, has been chosen as an appropriate comparison, as it comprises companies within the Company's primary investment objective.

Directors' share interests

The Company's articles of association do not require Directors to own shares in the Company. The interests of Directors, including those of connected persons, at the beginning and end of the financial year under review are set out below.

	Ordinary shares of 1p each 30 September 2023	Ordinary shares of 1p each 30 September 2022
James Williams	**20,000**	15,125
Keith Craig	**12,581**	12,581
Julia Goh	**15,000**	15,000
Vivien Gould	**5,000**	5,000
Rupert Hogg*	**—**	n/a
Martin Porter	**20,000**	10,000

*Rupert Hogg was appointed as a Director on 1 May 2023.

The information in the above table has been audited. Following the year end, Rupert Hogg purchased 2,100 shares. There have been no further changes.

James Williams
Chairman

5 December 2023

Statement of Directors' Responsibilities
in respect of the Annual Report and Accounts

The Directors are responsible for preparing the annual report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the return or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions in FRS 102, used in the preparation of the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the webpage dedicated to the Company.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Statement

Each of the Directors, whose names and functions are listed on pages 32 and 33, confirm that to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Strategic Report contained in the report and accounts includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal and emerging risks that it faces; and
- the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

James Williams
Chairman

5 December 2023

Financial

Financial

Opinion

We have audited the financial statements of Schroder AsiaPacific Fund plc ("the Company") for the year ended 30 September 2023 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of Company in conducting the audit.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- Confirmation of our understanding of the Company's going concern assessment process and engagement with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 31 December 2024 which is at least 12 months from the date these financial statements are authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Review of the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised are appropriate to be able to make an assessment for the Company.
- Consideration of the mitigating factors included in the revenue forecast that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- In relation to the Company's borrowing arrangements, we inspected the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- Review of the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 31 December 2024. In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement • Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	• Overall materiality of £8.51m which represents 1% of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including controls and changes in the business environment when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has determined that the most significant future impacts from climate change could affect the Company's investments and the overall investment process. This is explained on page 29 in the principal and emerging risks and uncertainties which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

Our audit effort in considering climate change was focused on the adequacy of the Company's disclosures in the financial statements as set out in note 1(a) and conclusion that there was no material impact of climate change on the valuation of the investments. We also challenged the Directors' considerations of climate change in their assessment of viability and associated disclosures.

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement (refer to the Audit and Risk Committee Report set out on pages 37 to 39 and the accounting policy set out on pages 57 and 58). The total revenue for the year to 30 September 2023 was £24.02 million (2022: £24.67 million), consisting primarily of dividend income from listed equity investments. The Company received special dividends amounting to £1.17m million (2022: £0.67 million), of which £0.87m were classified as revenue and £0.30m were classified as capital (2022: £0.67 million classified as revenue and £nil classified as capital).	We performed the following procedures: We obtained an understanding of the Manager's and Administrator's processes and controls surrounding revenue recognition and classification of special dividends by performing walkthrough procedures. For all dividends received and accrued, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an external source where applicable and, for a sample of dividends received and accrued dividends, we agreed the amounts to bank statements.	The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Income Statement.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
The investment income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	To test completeness of recorded income, we verified that dividends had been recorded for each investee company held during the year with reference to investee company announcements obtained from an independent data vendor. For all accrued dividends, we reviewed the investee Company announcements to assess whether the entitlement arose prior to 30 September 2023. For all investments held during the year, we compared the type of dividends paid with reference to an external data source to identify those which were 'special'. We confirmed seven special dividends, amounting to £1.17 million, were received during the year. We tested a sample of five special dividends, by assessing the appropriateness of classification by reviewing the underlying rationale of the distribution.	
Risk of Incorrect valuation or ownership of the investment portfolio (refer to the Audit and Risk Committee Report set out on pages 37 to 39 and the accounting policy set out on pages 57 and 58). The valuation of the investment portfolio at 30 September 2023 was £874.53 million (2022: £882.80 million) consisting of listed equity investments. The valuation of investments held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company, could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the reporting date.	We performed the following procedures: We obtained an understanding of the Administrator's processes and controls surrounding investment title and the pricing of listed equity investments by performing walkthrough procedures. For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end. We reviewed the prices for all investments in the portfolio to identify prices that have not changed within five business days from year end to verify whether the listed price is a valid fair value. We agreed the Company's investments to the independent confirmations received directly from the Company's Custodian and Depositary as at 30 September 2023.	The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio.

There have been no changes to the areas of audit focus raised in the above risk table from the prior year.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £8.51 million (2022: £8.78 million), which is 1% (2022: 1%) of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measure of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2022: 75%) of our planning materiality, namely £6.38 million (2022: £6.59 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates that a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Income Statement of £1.04 million (2022: £1.07 million), being 5% of the net revenue return before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.43 million (2022: £0.44 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and Directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 30;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 30;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 30;
- Directors' statement on fair, balanced and understandable set out on page 46;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 27 to 29;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 29 and;
- The section describing the work of the audit and risk committee set out on pages 37 to 39.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 46, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the Listing Rules, UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary, review of board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the key audit matter above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from the Audit and Risk committee, we were appointed by the Company on 26 July 2019 to audit the financial statements for the year ending 30 September 2019 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is five years, covering the years ending 30 September 2019 to 30 September 2023.
- The audit opinion is consistent with the additional report to the Audit and Risk committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Caroline Mercer (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

5 December 2023

Income Statement
for the year ended 30 September 2023

	Note	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000	2022 Revenue £'000	2022 Capital £'000	2022 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	2	**–**	**9,601**	**9,601**	–	(154,731)	(154,731)
Net foreign currency gains/(losses)		**–**	**293**	**293**	–	(2,936)	(2,936)
Income from investments	3	**23,863**	**304**	**24,167**	24,673	–	24,673
Other interest receivable and similar income	3	**153**	**–**	**153**	12	–	12
Gross return/(loss)		**24,016**	**10,198**	**34,214**	24,685	(157,667)	(132,982)
Investment management fee	4	**(1,552)**	**(4,656)**	**(6,208)**	(1,728)	(5,185)	(6,913)
Administrative expenses	5	**(1,409)**	**–**	**(1,409)**	(1,437)	–	(1,437)
Net return/(loss) before finance costs and taxation		**21,055**	**5,542**	**26,597**	21,520	(162,852)	(141,332)
Finance costs	6	**(231)**	**(690)**	**(921)**	(48)	(145)	(193)
Net return/(loss) before taxation		**20,824**	**4,852**	**25,676**	21,472	(162,997)	(141,525)
Taxation	7	**(1,834)**	**(1,939)**	**(3,773)**	(1,799)	1,145	(654)
Net return/(loss) after taxation		**18,990**	**2,913**	**21,903**	19,673	(161,852)	(142,179)
Return/(loss) per share	8	**12.06p**	**1.85p**	**13.91p**	12.04p	(99.08)p	(87.04)p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no other items of other comprehensive income, and therefore the net return after taxation is also the total comprehensive income for the year.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The notes on pages 57 to 70 form an integral part of these accounts.

Statement of Changes in Equity
for the year ended 30 September 2023

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2021		16,486	100,956	3,658	8,704	16,110	894,363	17,664	1,057,941
Repurchase and cancellation of the Company's own shares		(406)	–	406	–	(16,110)	(5,543)	–	(21,653)
Net (loss)/return after taxation		–	–	–	–	–	(161,852)	19,673	(142,179)
Dividend paid in the year	9	–	–	–	–	–	–	(15,922)	(15,922)
At 30 September 2022		**16,080**	**100,956**	**4,064**	**8,704**	**–**	**726,968**	**21,415**	**878,187**
Repurchase and cancellation of the Company's own shares		**(600)**	**–**	**600**	**–**	**–**	**(29,775)**	**–**	**(29,775)**
Net return after taxation		**–**	**–**	**–**	**–**	**–**	**2,913**	**18,990**	**21,903**
Dividend paid in the year	9	**–**	**–**	**–**	**–**	**–**	**–**	**(19,030)**	**(19,030)**
At 30 September 2023		**15,480**	**100,956**	**4,664**	**8,704**	**–**	**700,106**	**21,375**	**851,285**

The notes on pages 57 to 70 form an integral part of these accounts.

Statement of Financial Position
at 30 September 2023

	Note	2023 £'000	2022 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	**874,534**	882,801
Current assets			
Debtors	11	**2,812**	7,920
Cash at bank and in hand	11	**6,785**	11,343
		9,597	19,263
Current liabilities			
Creditors: amounts falling due within one year	12	**(28,068)**	(19,964)
Net current liabilities		**(18,471)**	(701)
Total assets less current liabilities		**856,063**	882,100
Non current liabilities			
Deferred taxation	13	**(4,778)**	(3,913)
Net assets		**851,285**	878,187
Capital and reserves			
Called-up share capital	14	**15,480**	16,080
Share premium	15	**100,956**	100,956
Capital redemption reserve	15	**4,664**	4,064
Warrant exercise reserve	15	**8,704**	8,704
Capital reserves	15	**700,106**	726,968
Revenue reserve	15	**21,375**	21,415
Total equity shareholders' funds		**851,285**	878,187
Net asset value per share	16	**549.92p**	546.13p

These accounts were approved and authorised for issue by the Board of Directors on 5 December 2023 and signed on its behalf by:

James Williams
Chairman

The notes on pages 57 to 70 form an integral part of these accounts.

Registered in England and Wales as a public company limited by shares

Company registration number: 03104981

1. Accounting Policies

(a) Basis of accounting

Schroder AsiaPacific Fund plc ("the Company") is registered in England and Wales as a public company limited by shares. The Company's registered office is 1 London Wall Place, London EC2Y 5AU.

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), in particular in accordance with Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (the "SORP") issued by the Association of Investment Companies in July 2022. All of the Company's operations are of a continuing nature.

The accounts have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments held at fair value through profit or loss. The Directors believe that the Company has adequate resources to continue operating to 31 December 2024, which is at least 12 months from the date of approval of these accounts. In forming this opinion, the Directors have taken into consideration: the controls and monitoring processes in place; the Company's low level of debt and other payables; the low level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; and that the Company's assets comprise cash and readily realisable securities quoted in active markets. In forming this opinion, the Directors have also considered any potential impact of climate change on the viability of the Company. Further details of Directors' considerations regarding this are given in the Chairman's Statement, Investment Managers' Review, Going Concern Statement, Viability Statement and under the Principal and Emerging Risks heading on page 29.

In preparing these financial statements the Directors have considered the impact of climate change on the value of the Company's investments. The Board has concluded that, as the investments are all valued using quoted bid prices in active markets, the fair value reflects market participant's view of climate change risk.

The Company has not presented a statement of cash flows, as it is not required for an investment trust which meets certain conditions; in particular that substantially all of the Company's investments are highly liquid and carried at market value.

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

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 September 2022.

No significant judgements, estimates or assumptions have been required in the preparation of the accounts for the current or preceding financial year.

(b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment objective and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are classified as "held at fair value through profit or loss". Investments are included initially at transaction price, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets.

All purchases and sales are accounted for on a trade date basis.

(c) Accounting for reserves

Gains and losses on sales of investments are included in the Income Statement and in capital reserves within "Gains and losses on sales of investments". Increases and decreases in the valuation of investments held at the year end are included in the Income Statement and in capital reserves within "Holding gains and losses on investments".

Foreign exchange gains and losses on cash and deposit balances and unrealised exchange gains and losses on foreign currency loans are included in the Income Statement and in capital reserves.

The cost of repurchasing shares, including the related stamp duty and transactions costs, is charged to "Share repurchase reserve". Once the "Share repurchase reserve" has been fully utilised the cost of repurchasing shares is then charged to "Capital reserves".

(d) Income

Dividends receivable are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Overseas dividends are included gross of any withholding tax.

Where the Company has elected to receive scrip dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised in revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital.

Deposit interest outstanding at the year end is calculated and accrued on a time apportionment basis using market rates of interest.

1. Accounting Policies continued

(e) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to the revenue column of the Income Statement with the following exceptions:

- The management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.
- Expenses incidental to the purchase or sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transaction costs are given in note 10 on page 61.

(f) Finance costs

Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis using the effective interest method and in accordance with the provisions of FRS 102.

Finance costs are allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.

(g) Financial instruments

Cash at bank and in hand may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Other debtors and creditors do not carry any interest, are short-term in nature and are accordingly stated at nominal value, with debtors reduced by appropriate allowances for estimated irrecoverable amounts.

Bank loans and overdrafts are initially measured at the transaction price and subsequently at amortised cost. They are recorded at the proceeds received net of direct issue costs.

(h) Taxation

The tax charge for the year is based on amounts expected to be received or paid.

Deferred tax is provided on all timing differences that have originated but not reversed by the accounting date.

Deferred tax liabilities are recognised for all taxable timing differences but deferred tax assets are only recognised to the extent that it is probable that taxable profits will be available against which those timing differences can be utilised.

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

(i) Value added tax ("VAT")

Expenses are disclosed inclusive of any related irrecoverable VAT.

(j) Foreign currency

In accordance with FRS 102, the Company is required to determine a functional currency, being the currency in which the Company predominantly operates. The Board, having regard to the currency of the Company's share capital and the predominant currency in which its shareholders operate, has determined that sterling is the functional currency and the currency in which the accounts are presented.

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets, liabilities and equity investments held at fair value, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at 16:00 hours on the accounting date.

(k) Dividends payable

In accordance with FRS 102, the final dividend is included in the accounts in the year in which it is approved by shareholders.

(l) Repurchases of shares for cancellation

The cost of repurchasing the Company's own shares including the related stamp duty and transactions costs is charged to "Share purchase reserve". Once the "Share purchase reserve" is fully utilised the cost is then charged to "Capital reserves", both are dealt with in the Statement of Changes in Equity. Share repurchase transactions are accounted for on a trade date basis. The nominal value of share capital repurchased and cancelled is transferred out of "Called-up share capital" and into "Capital redemption reserve".

2. Gains/(losses) on investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Gains on sales of investments based on historic cost	**11,251**	30,894
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	**(8,012)**	(39,004)
Gains/(losses) on sales of investments based on the carrying value at the previous balance sheet date	**3,239**	(8,110)
Net movement in investment holding gains and losses	**6,362**	(146,621)
Gains/(losses) on investments held at fair value through profit or loss	**9,601**	(154,731)

3. Income

	2023 £'000	2022 £'000
Income from investments:		
Overseas dividends	**22,761**	24,091
UK dividends	**1,102**	582
	23,863	24,673
Other interest receivable and similar income:		
Deposit interest	**153**	12
	24,016	24,685
Capital:		
Special dividend allocated to capital	**304**	–

4. Investment management fee

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	**1,552**	**4,656**	**6,208**	1,728	5,185	6,913

The basis for calculating the investment management fee is set out in the Report of the Directors on page 34.

5. Administrative expenses

	2023			2022		
	Revenue	Capital	Total £'000	Revenue £'000	Capital £'000	Total £'000
Administration expenses	**1,010**	**–**	**1,010**	1,052	–	1,052
Directors' fees[1]	**198**	**–**	**198**	193	–	193
Company secretarial fee	**150**	**–**	**150**	150	–	150
Auditor's remuneration for audit services	**51**	**–**	**51**	42	–	42
	1,409	**–**	**1,409**	1,437	–	1,437

[1]Full details are given in the remuneration report on pages 43 to 45

6. Finance costs

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans and overdrafts	**231**	**690**	**921**	48	145	193

7. Taxation

(a) Analysis of tax charge for the year

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Irrecoverable overseas withholding tax	**1,834**	**–**	**1,834**	1,799	–	1,799
Overseas capital gains tax	**–**	**1,939**	**1,939**	–	(1,145)	(1,145)
Taxation for the year	**1,834**	**1,939**	**3,773**	1,799	(1,145)	654

The Company has no corporation tax liability for the year ended 30 September 2023 (2022: nil).

The provision for overseas capital gains tax pertains to the deferred tax liability on the unrealised gain on Indian Securities.

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2022: higher) than the Company's applicable rate of corporation tax for the year of 22% (2022: 19%).

The factors affecting the current tax charge for the year are as follows:

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return/(loss) before taxation	**20,824**	**4,852**	**25,676**	21,472	(162,997)	(141,525)
Net return/(loss) before taxation multiplied by the Company's applicable rate of corporation tax for the year of 22% (2022: 19%)	**4,581**	**1,068**	**5,649**	4,080	(30,970)	(26,890)
Effects of:						
Capital returns on investments	**–**	**(2,177)**	**(2,177)**	–	29,957	29,957
Income not chargeable to corporation tax	**(5,250)**	**(67)**	**(5,317)**	(4,670)	–	(4,670)
Irrecoverable overseas withholding tax	**1,834**	**–**	**1,834**	1,799	–	1,799
Provision for overseas capital gains tax	**–**	**1,939**	**1,939**	–	(1,145)	(1,145)
Unrelieved expenses	**669**	**1,176**	**1,845**	590	1,013	1,603
Taxation for the year	**1,834**	**1,939**	**3,773**	1,799	(1,145)	654

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £19,912,000 (2022: £17,815,000) based on a main rate of corporation tax of 25% (2022: 25%). In its 2021 budget, the UK government announced that the main rate of corporation tax would increase to 25% for the fiscal year beginning on 1 April 2023.

The deferred tax asset has arisen due to the cumulative excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the accounts.

Given the Company's intention to meet the conditions required to retain its status as an Investment Trust Company, no provision has been made for deferred UK capital gains tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. Return per share

	2023 £'000	2022 £'000
Revenue return	**18,990**	19,673
Capital return/(loss)	**2,913**	(161,852)
Total return/(loss)	**21,903**	(142,179)
Weighted average number of shares in issue during the year	**157,474,894**	163,346,606
Revenue return per share	**12.06p**	12.04p
Capital return/(loss) per share	**1.85p**	(99.08)p
Total return/(loss) per share	**13.91p**	(87.04)p

9. Dividends

Dividends paid and proposed

	2023 £'000	2022 £'000
2022 final dividend of 12.00p (2021: 9.70p) paid out of revenue profits	**19,030**	15,922

	2023 £'000	2022 £'000
2023 final dividend proposed of 12.00p (2022: 12.00p) to be paid out of revenue profits	**18,416**	19,296

The 2022 final dividend amounted to £19,296,000. However the amount actually paid was £19,030,000, as shares were repurchased and cancelled after the accounting date, but prior to the dividend record date.

The proposed final dividend amounting to £18,416,000 (2022: £19,296,000) is the amount used for the basis of determining whether the Company has satisfied the distribution requirements of section 1158 of the Corporation Tax Act 2010. The revenue available for distribution for the year is £18,990,000 (2022: £19,673,000).

10. Investments held at fair value through profit or loss

	2023 £'000	2022 £'000
Opening book cost	**758,095**	758,657
Opening investment holding gains	**124,706**	310,331
Opening fair value	**882,801**	1,068,988
Purchases at cost	**168,987**	199,803
Sales proceeds	**(186,855)**	(231,259)
Gains/(losses) on investments held at fair value	**9,601**	(154,731)
Closing fair value	**874,534**	882,801
Closing book cost	**751,478**	758,095
Closing investment holding gains	**123,056**	124,706
Closing fair value	**874,534**	882,801

Sales proceeds amounting to £186,855,000 (2022: £231,259,000) were receivable from disposals of investments in the year. The book cost of these investments when they were purchased was £175,604,000 (2022: £200,364,000). These investments have been revalued over time and until they were sold any unrealised gains and losses were included in the fair value of the investments.

The following transaction costs, comprising stamp duty and brokerage commission, were incurred in the year:

	2023 £'000	2022 £'000
On acquisitions	**282**	268
On disposals	**332**	384
	614	652

11. Current assets

Debtors	2023 £'000	2022 £'000
Securities sold awaiting settlement	**893**	5,868
Dividends and interest receivable	**1,648**	1,778
Taxation recoverable	**236**	258
Other debtors	**35**	16
	2,812	7,920

The Directors consider that the carrying amount of debtors approximates to their fair value.

Cash at bank and in hand

Cash at bank and in hand comprises bank balances and cash held by the Company, including short-term deposits. The carrying amount of these represents their fair value. Cash balances in excess of a predetermined amount are placed on short term deposit at market rates of interest.

12. Current liabilities

Creditors: amounts falling due within one year	2023 £'000	2022 £'000
Bank loan	**24,579**	13,437
Securities purchased awaiting settlement	**1,422**	4,379
Other creditors and accruals	**2,067**	2,064
Bank overdraft	**–**	84
	28,068	19,964

The bank loan comprises US$30 million drawn down on the Company's £75 million multicurrency credit facility with Bank of Nova Scotia. The facility is secured and drawings are subject to covenants and restrictions which are customary for a facility of this nature and all of these have been complied with.

Further details of the facility are given in note 20(a)(ii) on page 67.

The bank loan at the prior year end comprised US$15 million drawn down on the Company's previous £75 million multicurrency credit facility with Bank of Nova Scotia.

The Company has a £30 million overdraft facility with HSBC Bank plc, secured by a floating charge.

The Directors consider that the carrying amount of creditors falling due within one year approximates to their fair value.

13. Deferred taxation

Deferred taxation comprises the deferred tax liability on the unrealised gain on Indian Securities. Indian capital gains tax arises on disposal of the underlying asset.

14. Called-up share capital

	2023 £'000	2022 £'000
Ordinary shares allotted, called up and fully paid:		
Ordinary shares of 10p each:		
Opening balance of 160,800,716 (2022: 164,860,716) shares	**16,080**	16,486
Repurchase and cancellation of 6,000,000 (2022: 4,060,000) shares	**(600)**	(406)
Closing balance of 154,800,716 (2022: 160,800,716) shares	**15,480**	16,080

During the year, the Company made market purchases of 6,000,000 of its own shares, nominal value £600,000, for cancellation, representing 3.73% of the shares outstanding at the beginning of the year. The total consideration paid for these shares amounted to £29,775,000. The reason for these purchases was to seek to manage the volatility of the share price discount to NAV per share.

15. Reserves

Year ended 30 September 2023	Share premium[1] £'000	Capital redemption reserve[2] £'000	Warrant exercise reserve[3] £'000	Share purchase reserve[4] £'000	Capital reserves: Gains and losses on sales of investments[5] £'000	Capital reserves: Investment holding gains and losses[6] £'000	Revenue reserve[7] £'000
At 30 September 2022	**100,956**	**4,064**	**8,704**	**–**	**606,111**	**120,857**	**21,415**
Gains on sales of investments based on the carrying value at the previous balance sheet date	**–**	**–**	**–**	**–**	**3,239**	**–**	**–**
Net movement in investment holding gains and losses	**–**	**–**	**–**	**–**	**–**	**6,362**	**–**
Transfer on disposal of investments	**–**	**–**	**–**	**–**	**8,012**	**(8,012)**	**–**
Realised exchange losses on cash and short-term deposits	**–**	**–**	**–**	**–**	**(569)**	**–**	**–**
Exchange gains on the credit facility	**–**	**–**	**–**	**–**	**–**	**862**	**–**
Overseas capital gains tax	**–**	**–**	**–**	**–**	**(606)**	**(1,333)**	**–**
Special dividend allocated to capital	**–**	**–**	**–**	**–**	**304**	**–**	**–**
Management fee, administrative expenses and finance costs allocated to capital	**–**	**–**	**–**	**–**	**(5,346)**	**–**	**–**
Repurchase and cancellation of the Company's own shares	**–**	**600**	**–**	**–**	**(29,775)**	**–**	**–**
Dividend paid	**–**	**–**	**–**	**–**	**–**	**–**	**(19,030)**
Retained revenue for the year	**–**	**–**	**–**	**–**	**–**	**–**	**18,990**
At 30 September 2023	**100,956**	**4,664**	**8,704**	**–**	**581,370**	**118,736**	**21,375**

Year ended 30 September 2022	Share premium[1] £'000	Capital redemption reserve[2] £'000	Warrant exercise reserve[3] £'000	Share purchase reserve[4] £'000	Capital reserves: Gains and losses on sales of investments[5] £'000	Capital reserves: Investment holding gains and losses[6] £'000	Revenue reserve[7] £'000
At 30 September 2021	100,956	3,658	8,704	16,110	588,024	306,339	17,664
Losses on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	(8,110)	–	–
Net movement in investment holding gains and losses	–	–	–	–	–	(146,621)	–
Transfer on disposal of investments	–	–	–	–	39,004	(39,004)	–
Realised exchange losses on cash and short-term deposits	–	–	–	–	(624)	–	–
Exchange losses on the credit facility	–	–	–	–	–	(2,312)	–
Overseas capital gains tax	–	–	–	–	(1,310)	2,455	–
Management fee, administrative expenses and finance costs allocated to capital	–	–	–	–	(5,330)	–	–
Repurchase and cancellation of the Company's own shares	–	406	–	(16,110)	(5,543)	–	–
Dividend paid	–	–	–	–	–	–	(15,922)
Retained revenue for the year	–	–	–	–	–	–	19,673
At 30 September 2022	100,956	4,064	8,704	–	606,111	120,857	21,415

The Company's articles of association permit dividend distributions out of realised capital profits.

[1]The share premium is a non distributable reserve and represents the amount by which the fair value of the consideration received from shares issued exceeds the nominal value of shares issued.

[2]The capital redemption reserve represents the accumulated nominal value of shares repurchased for cancellation. This reserve is not distributable.

[3]The warrant exercise reserve is a non distributable reserve and arose via an apportionment of the premium on the issue of shares with warrants attached.

[4]The share purchase reserve arose following the cancellation of the balance of share premium in 1998 and was created for the purpose of financing share buy backs. This is a realised (distributable) capital reserve which may be used to repurchase the Company's own shares or distributed as dividends.

[5]This is a realised (distributable) capital reserve which may be used to repurchase the Company's own shares or distributed as dividends.

[6]This reserve comprises holding gains on liquid investments (which may be deemed to be realised) and other amounts which are unrealised. An analysis has not been made between those amounts that are realised (and may be distributed as dividends or used to repurchase the Company's own shares) and those that are unrealised.

[7]The revenue reserve may be distributed as dividends or used to repurchase the Company's own shares.

16. Net asset value per share

	2023	2022
Net assets attributable to shareholders (£'000)	**851,285**	878,187
Shares in issue at the year end	**154,800,716**	160,800,716
Net asset value per share	**549.92p**	546.13p

17. Transactions with the Manager

Under the terms of the AIFM Agreement, the Manager is entitled to receive a management fee and a company secretarial fee. Details of the basis of the management fee calculation are given in the Directors' Report on page 34. Any investments in funds managed or advised by the Manager or any of its associated companies, are excluded from the assets used for the purpose of the calculation and therefore incur no fee. As at the year end, 30 September 2023, the Company held 13,038,886 shares in Schroder Asian Discovery Fund Class Z Accumulation GBP, with a market value of £14,082,000. During the year, the Company sold 4,121,977 shares and generated total proceeds of £4,407,000 from the sales.

The management fee payable in respect of the year ended 30 September 2023 amounted to £6,208,000 (2022: £6,913,000), of which £1,485,000 (2022: £1,593,000) was outstanding at the year end. The company secretarial fee payable in respect of the year ended 30 September 2023 amounted to £150,000 (2022: £150,000), of which £38,000 (2022: £38,000) was outstanding at the year end.

No Director of the Company served as a Director of any member of the Schroder Group, at any time during the year, or prior year.

18. Related party transactions

Details of the remuneration payable to Directors are given in the Directors' Remuneration Report on page 44 and details of Directors' shareholdings are given in the Directors' Remuneration Report on page 45. Details of transactions with the Manager are given in note 17 above. There have been no other transactions with related parties during the year (2022: nil).

19. Disclosures regarding financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and any derivative financial instruments.

FRS 102 requires that financial instruments held at fair value are categorised into a hierarchy consisting of the three levels below. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement.

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

Level 2 – valued using observable inputs other than quoted prices included within Level 1.

Level 3 – valued using inputs that are unobservable.

Details of the Company's policy for valuing investments and derivative instruments are given in note 1(b) on page 57 and 1(g) on page 58.

At 30 September 2023, the Company's investment portfolio was categorised as follows:

	2023			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments in equities and equity linked securities	**874,534**	**–**	**–**	**874,534**
Total	**874,534**	**–**	**–**	**874,534**

	2022			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities and equity linked securities	882,801	–	–	882,801
Total	882,801	–	–	882,801

There have been no transfers between Levels 1, 2 or 3 during the year (2022: nil).

20. Financial instruments' exposure to risk and risk management policies

The investment objective is set out on the inside front cover of this report. In pursuing this objective, the Company is exposed to a variety of financial risks that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends. These financial risks include market risk (comprising currency risk, interest rate risk and market price risk), liquidity risk and credit risk. The Directors' policy for managing these risks is set out below. The Board coordinates the Company's risk management policy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's classes of financial instruments may comprise the following:

- investments in shares, warrants, depositary receipts and government bonds which are held in accordance with the Company's investment objective;
- short-term debtors, creditors and cash arising directly from its operations;
- a multi-currency overdraft facility with HSBC Bank plc, the purpose of which is to assist in financing the Company's operations; and
- a multi-currency revolving credit facility with Bank of Nova Scotia, the purpose of which is to assist in financing the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements: currency risk, interest rate risk and market price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analyses where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

The majority of the Company's assets, liabilities and income are denominated in currencies other than sterling, which is the Company's functional currency and the presentational currency of the accounts. As a result, movements in exchange rates will affect the sterling value of those items.

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed. The Company may use foreign currency borrowings or forward foreign currency contracts to limit the exposure to anticipated changes in exchange rates which might otherwise adversely affect the value of the portfolio of investments. Income denominated in foreign currencies is converted into sterling on receipt.

20. Financial instruments' exposure to risk and risk management policies continued

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 30 September are shown below. The Company's investments (which are not monetary items) have been included separately in the analysis so as to show the overall level of exposure.

	2023									
	Hong Kong Dollars £'000	US Dollars £'000	South Korean Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Chinese Yuan £'000	Other £'000	Total £'000
Current assets	**201**	**392**	**445**	**629**	**–**	**98**	**66**	**560**	**1,492**	**3,883**
Current liabilities										
Creditors: amounts falling due within one year	**–**	**(24,602)**	**(67)**	**(43)**	**–**	**(10)**	**–**	**(22)**	**(1,349)**	**(26,093)**
Non current liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**(4,778)**	**–**	**–**	**(4,778)**
Foreign currency exposure on net monetary items	**201**	**(24,210)**	**378**	**586**	**–**	**88**	**(4,712)**	**538**	**143**	**(26,988)**
Investments held at fair value through profit or loss[1]	**227,912**	**32,412**	**99,840**	**129,941**	**67,562**	**16,652**	**146,942**	**37,363**	**58,947**	**817,571**
Total net foreign currency exposure	**228,113**	**8,202**	**100,218**	**130,527**	**67,562**	**16,740**	**142,230**	**37,901**	**59,090**	**790,583**

	2022									
	Hong Kong Dollars £'000	US Dollars £'000	South Korean Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Chinese Yuan £'000	Other £'000	Total £'000
Current assets	493	193	537	1,584	2,795	51	3,067	2,302	3,708	14,730
Current liabilities										
Creditors: amounts falling due within one year	(33)	(13,442)	(81)	(1,014)	(2,785)	(5)	–	–	(88)	(17,448)
Non current liabilities	–	–	–	–	–		(3,867)	–	–	(3,867)
Foreign currency exposure on net monetary items	460	(13,249)	456	570	10	46	(800)	2,302	3,620	(6,585)
Investments held at fair value through profit or loss[1]	223,210	43,557	108,218	132,334	66,955	19,224	143,762	34,754	47,294	819,308
Total net foreign currency exposure	223,670	30,308	108,674	132,904	66,965	19,270	142,962	37,056	50,914	812,723

[1]Excluding any stocks priced in sterling.

The above year end amounts are broadly representative of the exposure to foreign currency risk during the current and comparative year.

Foreign currency sensitivity

The following tables illustrate the sensitivity of net profit for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The effect on capital return below is predominantly due to the change in net monetary liabilities and the effect on income return is predominantly due to change in dividends, or revenue items that were subject to foreign exchange rate movement. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each accounting date and assumes a 10% (2022: 10%) appreciation or depreciation in sterling against all the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

If sterling had weakened by 10% this would have had the following effect:

	2023 £'000	2022 £'000
Income Statement – return after taxation		
Revenue return	**2,070**	2,224
Capital return	**(2,931)**	(558)
Total return after taxation	**(861)**	1,666
Net assets	**(861)**	1,666

20. Financial instruments' exposure to risk and risk management policies continued

Conversely if sterling had strengthened by 10% this would have had the following effect:

	2023 £'000	2022 £'000
Income Statement – return after taxation		
Revenue return	**(2,070)**	(2,224)
Capital return	**2,931**	558
Total return after taxation	**861**	(1,666)
Net assets	**861**	(1,666)

In the opinion of the Directors, the above sensitivity analysis with respect to monetary financial assets and liabilities is broadly representative of the whole of the current and comparative year. The sensitivity with regard to the Company's investments and foreign currency is subsumed into market price risk sensitivity in part (iii) to this note.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings when interest rates are re-set.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Board would not expect gearing to exceed 20% where gearing is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company draws on the credit facility. However, amounts drawn on this facility are for short-term periods and therefore exposure to interest rate risk is not significant.

Interest rate exposure

The exposure of financial assets and financial liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below:

	2023 £'000	2022 £'000
Exposure to floating interest rates:		
Cash at bank and in hand	**6,785**	11,343
Creditors: bank overdraft	**–**	(84)
Creditors: amounts falling due within one year – borrowings on the credit facility	**(24,579)**	(13,437)
Net exposure	**(17,794)**	(2,178)

Sterling cash deposits at call earn interest at floating rates based on Sterling Overnight Index Average ("SONIA") rates, (2022: SONIA).

The Company has arranged a £75 million credit facility with Bank of Nova Scotia, effective from 23 June 2023. Interest is payable at the aggregate of the compounded Risk Free Rate ("RFR) for the relevant currency and loan period, plus a margin. Amounts are normally drawn down on the facility for a one month period, at the end of which it may be rolled over or adjusted. At 30 September 2023, the Company had drawn down US$30 million (£24.6 million) for a one month period, at an interest rate of 6.61% per annum.

At the prior year end, the Company had drawn down US$15 million (£13.4 million) on the preceding facility with Bank of Nova Scotia.

The Company also has a £30 million overdraft facility with HSBC Bank plc, secured by a floating charge.

The above year end amounts are not representative of the exposure to interest rates during the year as the level of cash balances and drawings on the credit facility have fluctuated. The maximum and minimum net cash/(debt) balances during the year are as follows:

	2023 £'000	2022 £'000
Maximum debit interest rate exposure during the year – debt	**(17,803)**	(7,592)
Maximum credit interest rate exposure during the year – net cash	**10,933**	17,531

20. Financial instruments' exposure to risk and risk management policies continued

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.5% (2022: 1.5%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the accounting date with all other variables held constant.

	2023		2022	
	1.5% increase in rate £'000	1.5% decrease in rate £'000	1.5% increase in rate £'000	1.5% decrease in rate £'000
Income statement – return after taxation				
Revenue return	**10**	**(10)**	119	(119)
Capital return	**(277)**	**277**	(152)	152
Total return after taxation	**(267)**	**267**	(33)	33
Net assets	**(267)**	**267**	(33)	33

Given the increase in UK interest rates, the interest rate sensitivity has been updated to 1.5%. The prior year disclosure has been updated to 1.5% to show a direct comparison in the sensitivity. In the prior year report, the sensitivity was calculated using 1.0%, which was representative of the market at 30 September 2022. As disclosed in the prior year annual report, an increase of 1.0% reduced total return after taxation by £22,000 (a decrease of 1.0% had an equal and opposite effect).

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances and drawings on the credit facility.

(iii) Market price risk

Market price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of investments.

Management of market price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular countries and industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile. The Board may authorise the Manager to enter derivative transactions for the purpose of protecting the portfolio against falls in market prices.

Market price risk exposure

The Company's total exposure to changes in market prices at 30 September comprises the following:

	2023 £'000	2022 £'000
Investments held at fair value through profit or loss	**874,534**	882,801

The above data is broadly representative of the exposure to market price risk during the year.

Concentration of exposure to market price risk

An analysis of the Company's investments is given on page 15. This shows that the portfolio comprises investments trading in Asian countries. Accordingly there is a concentration of exposure to that region.

20. Financial instruments' exposure to risk and risk management policies continued

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 25% (2022: 25%) in the fair values of the Company's investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's investments and adjusting for the change in the management fee, but with all other variables held constant.

	2023		2022	
	25% increase in fair value £'000	25% decrease in fair value £'000	25% increase in fair value £'000	25% decrease in fair value £'000
Income statement – return after taxation				
Revenue return	**(328)**	**328**	(386)	386
Capital return	**217,650**	**(217,650)**	219,542	(219,542)
Total return after taxation and net assets	**217,332**	**(217,332)**	219,156	(219,156)
Percentage change in net asset value	**25.5%**	**(25.5%)**	25.0%	(25.0%)

Based on observation of current market conditions, the market price risk sensitivity has been updated to 25%. The prior year disclosure has been updated to 25% to show a direct comparison in the sensitivity. In the prior year report, the sensitivity was calculated using 20%, which was representative of the market at 30 September 2022. As disclosed in the prior year annual report, an increase of 20% increased total return after taxation by £175,324,000 (a decrease of 20% had an equal and opposite effect).

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is managed as the Company's assets comprise mainly readily realisable securities, which can be sold to meet to meet funding requirements if necessary. Short-term flexibility is achieved through the use of a credit facility and an overdraft facility.

The Board's policy is for the Company to remain fully invested in normal market conditions and that borrowings be used to manage working capital requirements and to gear the Company as appropriate.

Liquidity risk exposure

Contractual maturities of financial liabilities, based on the earliest date on which payment can be required are as follows:

	Three months or less 2023 £'000	Three months or less 2022 £'000
Creditors: amounts falling due within one year		
Bank loan – including interest	**24,613**	13,473
Securities purchased awaiting settlement	**1,422**	4,379
Other creditors and accruals	**2,067**	2,064
Bank overdraft	**–**	84
	28,102	20,000

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in loss to the Company.

Management of credit risk

This risk is not significant and is managed as follows:

Portfolio dealing

The Company invests almost entirely in markets that operate a "Delivery Versus Payment" settlement process which mitigates the risk of losing the principal of a trade during settlement. The Manager continuously monitors dealing activity to ensure best execution, which involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparties must be pre-approved by the Manager's credit committee.

20. Financial instruments' exposure to risk and risk management policies continued

Exposure to the Custodian

The custodian of the Company's assets is HSBC Bank plc which has Long-Term Credit Ratings of AA- with Fitch and Aa3 with Moody's.

The Company's investments are held in accounts which are segregated from the custodian's own trading assets. If the custodian were to become insolvent, the Company's right of ownership of its investments is clear and they are therefore protected. However the Company's cash balances are all deposited with the custodian as banker and held on the custodian's balance sheet. Accordingly, in accordance with usual banking practice, the Company will rank as a general creditor to the custodian in respect of cash balances.

Credit risk exposure

The amounts shown in the balance sheet under debtors and cash at bank and in hand represent the maximum exposure to credit risk at the current and comparative year ends. No debtors are past their due date and none have been provided for. There has been no stock lending during the year, or prior year.

(d) Fair values of financial assets and financial liabilities

All financial assets and liabilities are either carried in the balance sheet at fair value, or the balance sheet amount is a reasonable approximation of fair value.

21. Capital management policies and procedures

The Company's objectives, policies and processes for managing capital are unchanged from the preceding year.

The Company's debt and capital structure comprises the following:

	2023 £'000	2022 £'000
Debt		
Bank loan	**24,579**	13,437
Equity		
Called-up share capital	**15,480**	16,080
Reserves	**835,805**	862,107
	851,285	878,187
Total debt and equity	**875,864**	891,624

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise the capital return to its equity shareholders through an appropriate level of gearing.

The Board would not expect gearing to exceed 20%. Gearing for this purpose is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets. If the figure so calculated is negative, this is shown as a "Net cash" position.

	2023 £'000	2022 £'000
Borrowings used for investment purposes, less cash	**17,794**	2,178
Net assets	**851,285**	878,187
Gearing	**2.1%**	0.2%

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back the Company's own shares for cancellation or to hold in treasury, which takes into account the share price discount;
- the opportunity for issue of new shares; and
- the amount of dividends to be paid, in excess of that which is required to be distributed.

Other information (unaudited)

Other Information

The Annual General Meeting ("AGM") of the Company will be held on Wednesday, 31 January 2024 at 12.00 noon. The formal Notice of Meeting is set out on page 73.

The following information is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult an independent financial adviser, authorised under the Financial Services and Markets Act 2000. If you have sold or transferred all of your ordinary shares in the Company, please forward this document with its accompanying form of proxy at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward transmission to the purchaser or transferee.

Ordinary business

Resolutions 1 to 12 are all ordinary resolutions. Resolution 1 is a required resolution. Resolution 2 invites shareholders to approve the final dividend. Resolution 3 concerns the Directors' Remuneration Report, on pages 43 to 45 and Resolution 4 is a binding vote to approve the amended Directors' Remuneration Policy as set out on page 43.

Resolutions 5 to 9 invite shareholders to elect or re-elect each of the Directors for another year, following the recommendations of the Nomination Committee, set out on pages 41 and 42 (their biographies are set out on pages 32 and 33). Resolutions 10 and 11 concern the re-appointment and remuneration of the Company's auditor, discussed in the Audit and Risk Committee Report on pages 37 to 39.

Special business

Resolution 12 – Directors' authority to allot shares (ordinary resolution) and resolution 13 – power to disapply pre-emption rights (special resolution)

The Directors are seeking authority to allot a limited number of unissued ordinary shares for cash without first offering them to existing shareholders in accordance with statutory pre-emption procedures.

Appropriate resolutions will be proposed at the forthcoming AGM and are set out in full in the Notice of AGM. An ordinary resolution will be proposed to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £1,534,657 (being 10% of the issued share capital (excluding any shares held in treasury) as at the date of the Notice of the AGM). A special resolution will also be proposed to give the Directors authority to allot securities for cash on a non-pre-emptive basis up to a maximum aggregate nominal amount of £1,534,657 (being 10% of the Company's issued share capital (excluding any shares held in treasury) as at the date of the Notice of the AGM). This authority includes shares that the Company sells or transfers that have been held in treasury. The Board has established guidelines for treasury shares and will only reissue shares held in treasury at a price equal to or greater than the Company's net asset value (inclusive of current year income) plus any applicable costs.

The Directors do not intend to allot shares pursuant to these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it to be advantageous to the Company's existing shareholders to do so and when it would not result in any dilution of NAV per share.

If approved, both of these authorities will expire at the conclusion of the AGM in 2025 unless renewed, varied or revoked earlier.

Resolution 14: Authority to make market purchases of the Company's own shares (special resolution)

At the AGM held on 1 February 2023, the Company was granted authority to make market purchases of up to 23,850,695 ordinary shares of 10p each for cancellation or holding in treasury. 5,005,000 shares have been bought back and cancelled under this authority and the Company therefore has remaining authority to purchase up to 18,845,695 ordinary shares. This authority will expire at the forthcoming AGM.

The Directors believe it is in the best interests of the Company and its shareholders to have a general authority for the Company to buy back its ordinary shares in the market as they keep under review the share price discount to net asset value and the purchase of ordinary shares. A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the ordinary shares in issue as at the date of the Notice of the AGM. The Directors will exercise this authority only if the Directors consider that any purchase would be for the benefit of the Company and its shareholders, taking into account relevant factors and circumstances at the time. Any shares so purchased would be cancelled or held in treasury for potential reissue. If renewed, the authority to be given at the 2024 AGM will lapse at the conclusion of the AGM in 2025 unless renewed, varied or revoked earlier.

Resolution 15: notice period for general meetings (special resolution)

Resolution 15 set out in the Notice of AGM is a special resolution and will, if passed, allow the Company to hold general meetings (other than annual general meetings) on a minimum notice period of 14 clear days, rather than 21 clear days as required by the Companies Act 2006. The approval will be effective until the Company's next AGM to be held in 2025. The Directors will only call general meetings on 14 clear days' notice when they consider it to be in the best interests of the Company's shareholders and will only do so if the Company offers facilities for all shareholders to vote by electronic means and when the matter needs to be dealt with expediently.

Recommendations

The Board considers that the resolutions relating to the above items of business are in the best interests of shareholders as a whole. Accordingly, the Board unanimously recommends to shareholders that they vote in favour of the resolutions to be proposed at the forthcoming AGM, as they intend to do in respect of their own beneficial holdings.

The Annual General Meeting ("AGM") of the Company will be held Wednesday, 31 January 2024 at 12.00 noon to consider the following resolutions of which resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13, 14 and 15 will be proposed as special resolutions:

1. To receive the Report of the Directors and the audited accounts for the year ended 30 September 2023.
2. To approve a final dividend of 12.00 pence per share for the financial year ended 30 September 2023.
3. To approve the Directors' Remuneration Report for the year ended 30 September 2023.
4. To approve the Directors' Remuneration Policy as set out on page 43.
5. To elect Rupert Hogg as a Director of the Company.
6. To re-elect Julia Goh as a Director of the Company.
7. To re-elect Vivien Gould as a Director of the Company.
8. To re-elect Martin Porter as a Director of the Company.
9. To re-elect James Williams as a Director of the Company.
10. To re-appoint Ernst & Young LLP as auditor to the Company until the conclusion of the next Annual General Meeting.
11. To authorise the Directors to determine the remuneration of Ernst & Young LLP as auditor to the Company.
12. To consider, and if thought fit, pass the following resolution as an ordinary resolution:

    "THAT the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 551 of the Act) up to an aggregate nominal amount of £1,534,657 (being 10% of the issued ordinary share capital at the date of this Notice) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company, but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Board may allot relevant securities in pursuance of that offer or agreement."
13. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "THAT, subject to the passing of resolution 12 set out above, the Directors be and are hereby empowered, pursuant to Section 571 of the Act, to allot equity securities (including any shares held in treasury) (as defined in section 560(1) of the Act) pursuant to the authority given in accordance with section 551 of the Act by the said resolution 12 and/or where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,534,657 (representing 10% of the aggregate nominal amount of the share capital in issue at the date of this Notice); and provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry."
14. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 10p each in the capital of the Company ("Shares") at whatever discount the prevailing market price represents to the prevailing net asset value per Share provided that:

    (a) the maximum number of Shares which may be purchased is 23,004,509, representing 14.99% of the Company's issued ordinary share capital as at the date of this Notice;

    (b) the maximum price (exclusive of expenses) which may be paid for a Share shall not exceed the higher of;

    i) 105% of the average of the middle market quotations for the Shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase; and

    ii) the higher of the last independent bid and the highest current independent bid on the London Stock Exchange;

    (c) the minimum price (exclusive of expenses) which may be paid for a Share shall be 10p, being the nominal value per Share;

    (d) this authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2025 (unless previously renewed, varied or revoked by the Company prior to such date);

    (e) the Company may make a contract to purchase Shares under the authority hereby conferred which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and

    (f) any Shares so purchased will be cancelled or held in treasury for potential reissue."
15. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "That a general meeting, other than an Annual General Meeting, may be called on not less than 14 clear days' notice."

By order of the Board
For and on behalf of

Schroder Investment Management Limited
5 December 2023

Registered Office:
1 London Wall Place,
London EC2Y 5AU

Registered Number: 03104981

1. Ordinary shareholders are entitled to attend and vote at the meeting and to appoint one or more proxies, who need not be a shareholder, as their proxy to exercise all or any of their rights to attend, speak and vote on their behalf at the meeting.

   A proxy form is attached. If you wish to appoint a person other than the Chairman as your proxy, please insert the name of your chosen proxy holder in the space provided at the top of the form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).

   Additional proxy forms can be obtained by contacting the Company's Registrars, Equiniti Limited, on +44 (0)371 032 0641, or you may photocopy the attached proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. Completion and return of a form of proxy will not preclude a member from attending the Annual General Meeting and voting in person.

   On a vote by show of hands, every ordinary shareholder who is present in person has one vote and every duly appointed proxy who is present has one vote. On a poll vote, every ordinary shareholder who is present in person or by way of a proxy has one vote for every share of which he/she is a holder.

   The "Vote Withheld" option on the proxy form is provided to enable you to abstain on any particular resolution. However it should be noted that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the proportion of the votes "For" and "Against" a resolution.

   A proxy form must be signed and dated by the shareholder or his or her attorney duly authorised in writing. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder and for this purpose seniority will be determined by the order in which the names appear on the Register of Members in respect of the joint holding. To be valid, proxy form(s) must be completed and returned to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in the enclosed envelope together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially, to arrive no later than 48 hours before the time fixed for the meeting, or an adjourned meeting. Shareholders may also appoint a proxy to vote on the resolutions being put to the meeting electronically at www.sharevote.co.uk. Shareholders who are not registered to vote electronically, will need to enter the Voting ID, Task ID and Shareholder Reference Number set out in their personalised proxy form. Alternatively, shareholders who have already registered with Equiniti's Shareview service can appoint a proxy by logging onto their portfolio at www.shareview.co.uk and clicking on the link to vote. The on-screen instructions give details on how to complete the appointment process. Please note that to be valid, your proxy instructions must be received by Equiniti no later than 12.00 noon on 29 January 2024. If you have any difficulties with online voting, you should contact the shareholder helpline on +44 (0)371 032 0641.

   If an ordinary shareholder submits more than one valid proxy appointment, the appointment received last before the latest time for receipt of proxies will take precedence.

   Shareholders may not use any electronic address provided either in this Notice of Annual General Meeting or any related documents to communicate with the Company for any purposes other than expressly stated.

   Representatives of shareholders that are corporations will have to produce evidence of their proper appointment when attending the Annual General Meeting.

2. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him or her and the shareholder by whom he or she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he or she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.

   The statement of the rights of ordinary shareholders in relation to the appointment of proxies in note 1 above does not apply to Nominated Persons. The rights described in that note can only be exercised by ordinary shareholders of the Company.

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of members of the Company at 6.30 p.m. on 29 January 2024, or 6.30 p.m. two days prior to the date of an adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 6.30 p.m. on 29 January 2024 shall be disregarded in determining the right of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. The CREST manual can be viewed at www.euroclear.com. A CREST message appointing a proxy (a "CREST proxy instruction") regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction previously given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12:00 noon on 29 January 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

5. Copies of the articles of association, terms of appointment of the non-executive Directors and a statement of all transactions of each Director and of his family interests in the shares of the Company, will be available for inspection by any member of the Company at the registered office of the Company during normal business hours on any weekday (English public holidays excepted) and at the Annual General Meeting by any attendee,

for at least 15 minutes prior to, and during, the Annual General Meeting. None of the Directors has a contract of service with the Company.

6. The biographies of the Directors offering themselves for election and re-election are set out on pages 32 and 33 of the Company's annual report and accounts for the year ended 30 September 2023.

7. As at 5 December 2023, 153,465,716 ordinary shares of 10 pence each were in issue (no shares were held in treasury). Therefore the total number of voting rights of the Company as at 5 December 2023 was 153,465,716.

8. A copy of this Notice of Meeting, which includes details of shareholder voting rights, together with any other information as required under Section 311A of the Companies Act 2006, is available from the webpages dedicated to the Company: www.schroders.co.uk/asiapacific.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

10. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:

    (a) the audit of the Company's Accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or

    (b) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM, that the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

11. The Company's privacy policy is available on its webpages: www.schroders.co.uk/asiapacific. Shareholders can contact Equiniti for details of how Equiniti processes their personal information as part of the AGM.

The terms and performance measures below are those commonly used by investment companies to assess values, investment performance and operating costs. Some of the financial measures below are classified Alternative Performance Measures as defined by the European Securities and Markets Authority, and some numerical calculations are given for those.

Net asset value ("NAV") per share

The NAV per share of 549.92p (2022: 546.13p) represents the net assets attributable to equity shareholders of £851,285,000 (2022: £878,187,000) divided by the number of shares in issue of 154,800,716 (2022: 160,800,716).

The change in the NAV amounted to +0.7% (2022: -14.9%) over the year. However this performance measure excludes the positive impact of dividends paid out by the Company during the year. When these dividends are factored into the calculation, the resulting performance measure is termed the "total return". Total return calculations and definitions are given below.

Total return

The combined effect of any dividends paid, together with the rise or fall in the share price or NAV per share. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either the assets of the Company at its NAV per share at the time the shares were quoted ex-dividend (to calculate the NAV per share total return) or in additional shares of the Company (to calculate the share price total return).

The NAV total return for the year ended 30 September 2023 is calculated as follows:

Opening NAV at 30/9/22	**546.13p**
Closing NAV at 30/9/23	**549.92p**

Dividend received	XD date	NAV on XD date	Factor
12.00p	30/12/22	559.37p	1.021

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage change in the opening NAV:	**+2.9%**

The NAV total return for the year ended 30 September 2022 is calculated as follows:

Opening NAV at 30/9/21	641.72p
Closing NAV at 30/9/22	546.13p

Dividend received	XD date	NAV on XD date	Factor
9.70p	30/12/21	636.89p	1.015

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage change in the opening NAV:	–13.6%

The share price total return for the year ended 30 September 2023 is calculated as follows

Opening share price at 30/9/22	**487.00p**
Closing share price at 30/9/23	**486.50p**

Dividend received	XD date	Share price on XD date	Factor
12.00p	30/12/22	501.00p	1.024

Share price total return, being the closing share price, multiplied by the factor, expressed as a percentage change in the opening share price:	**+2.3%**

The share price total return for the year ended 30 September 2022 is calculated as follows

Opening share price at 30/9/21	579.00p
Closing share price at 30/9/22	487.00p

Dividend received	XD date	Share price on XD date	Factor
9.70p	30/12/21	583.00p	1.017

Share price total return, being the closing share price, multiplied by the factor, expressed as a percentage change in the opening share price:	–14.5%

Benchmark index

The measure against which the Company compares its performance, which is deemed to be the most appropriate comparison and which is used for management information purposes. The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted.

Discount/premium

The amount by which the share price of an investment trust is lower (discount) or higher (premium) than the NAV per share. The discount or premium is expressed as a percentage of the NAV per share. The discount at the year end amounted to 11.5% (2022: 10.8%), as the closing share price at 486.50p (2022: 487.00p) was 11.5% (2022: 10.8%) lower than the closing NAV of 549.92p (2022: 546.13p).

Gearing

The gearing percentage reflects the amount of borrowings (i.e. bank loans or overdrafts) which the Company has drawn down and invested in the market. This figure is indicative of the extra amount by which shareholders' funds would move if the Company's investments were to rise or fall. This represents borrowings used for investment purposes, less cash, expressed as a percentage of net assets. If the figure so calculated is negative, this is shown as a "Net cash" position. The gearing figure at the year end is calculated as follows:

	2023 £'000	2022 £'000
Borrowings used for investment purposes, less cash	**17,794**	2,178
Net assets	**851,285**	878,187
Gearing/(net cash)	**2.1%**	0.2%

Ongoing charges

The Ongoing Charges figure is a measure of the ongoing operating cost of the Company. It is calculated in accordance with the AIC's recommended methodology and represents the management fee and all other operating expenses excluding finance costs and transaction costs, amounting to £7,617,000 (2022: £8,350,000), expressed as a percentage of the average daily net asset values during the year of £888,441,000 (2022: £995,417,000).

Leverage

For the purpose of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. Higher Leverage numbers are thus indicative of higher market risk. Leverage is expressed as the ratio of the Company's exposure to its net asset value and is required to be calculated both on a "Gross" and a "Commitment" method. Under the Gross method, exposure represents the sum of the absolute values of all positions, so as to give an indication of overall exposure. Under the Commitment method, exposure is calculated in a similar way, but after netting off hedges which satisfy certain strict criteria.

How to invest

There are a number of ways to easily invest in the Company. The Manager has set these out at www.schroders.com/invest-in-a-trust/.

Webpages and share price information

The Company has dedicated webpages, which may be found at www.schroders.co.uk/asiapacific. The webpages are the Company's primary method of electronic communication with shareholders. They contain details of the Company's ordinary share price and copies of the report and accounts and other documents published by the Company as well as information on the Directors, terms of reference of committees and other governance arrangements. In addition, the webpages contain links to announcements made by the Company to the market, Equiniti's shareview service and Schroders' website. There is also a section entitled "How to Invest".

The Company releases its NAV per share on both a cum and ex-income basis to the market on a daily basis.

Share price information may also be found in the Financial Times and on the Company's webpages.

Association of Investment Companies

The Company is a member of the Association of Investment Companies. Further information on the Association can be found on its website, www.theaic.co.uk.

Individual Savings Account ("ISA") status

The Company's shares are eligible for stocks and shares ISAs.

Non-Mainstream Pooled Investments status

The Company currently conducts its affairs so that its shares can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Financial calendar

Annual General Meeting	January / February
Final dividend paid	February
Half year results announced	June
Financial year end	30 September
Annual results announced	December

Alternative Investment Fund Managers ("AIFM") Directive

The AIFM Directive, as transposed into the FCA Handbook in the UK, requires that certain pre-investment information be made available to investors in Alternative Investment Funds (such as the Company) and also that certain regular and periodic disclosures are made. This information and these disclosures may be found either below, elsewhere in this annual report, or in the Company's AIFM Directive information disclosure document published on the Company's webpages.

Leverage

The Company's leverage policy and details of its leverage ratio calculation and exposure limits as required by the AIFMD are published on the Company's webpages and within this report. The Company is also required to periodically publish its actual leverage exposures. As at 30 September 2023 these were:

Leverage exposure	Maximum exposure	Actual exposure
Gross method	200.0%	1.06%
Commitment method	200.0%	1.04%

Illiquid assets

As at the date of this report, none of the Company's assets are subject to special arrangements arising from their illiquid nature.

Remuneration disclosures

Quantitative remuneration disclosures to be made in this annual report in accordance with FCA Handbook rule FUND3.3.5 may be found in the Company's AIFMD information disclosure document published on the Company's webpages.

Publication of Key Information Document ("KID") by the AIFM

Pursuant to the Packaged Retail and Insurance Based Investment Products Regulation, the Manager, as the Company's AIFM, is required to publish a short KID on the Company. KIDs are designed to provide certain prescribed information to retail investors, including details of potential returns under different performance scenarios and a risk/reward indicator. The Company's KID is available on its webpages.

Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque. Applications for an electronic mandate can be made by contacting the Registrar. If your dividend is paid directly into your bank or building society account, you will receive an annual consolidated dividend confirmation, which will be sent to you in September each year at the time the interim dividend is paid. Dividend confirmations are available electronically at investorcentre.co.uk to those shareholders who have their payments mandated to their bank or building society accounts and who have expressed a preference for electronic communications.

Warning to shareholders

Companies are aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares or investments. These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive. Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports.

If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved by visiting register.fca.org.uk
- Report the matter to the FCA by calling 0800 111 6768 or visiting fca.org.uk/consumers/report-scam-unauthorised-firm
- Do not deal with any firm that you are unsure about

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme.

The FCA provides a list of unauthorised firms of which it is aware, which can be accessed at fca.org.uk/consumers/unauthorised-firmsindividualslist.

More detailed information on this or similar activity can be found on the FCA website at fca.org.uk/consumers/protect-yourself-scams.

Directors

James Williams (Chairman)
Keith Craig
Julia Goh
Vivien Gould
Rupert Hogg (appointed 1 May 2023)
Martin Porter

Advisers

Alternative Investment Fund Manager (the "Manager")

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU

Investment Manager and Company Secretary

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Telephone: 020 7658 6189
AMCompanySecretary@Schroders.com

Registered Office

1 London Wall Place
London EC2Y 5AU

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Lending Bank

The Bank of Nova Scotia, London Branch
201 Bishopsgate
6th Floor
London EC2M 3NS

Corporate Broker

Deutsche Numis
45 Gresham Street
London EC2V 7BF

Independent auditor

Ernst & Young LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Shareholder Helpline: +44 (0)800 032 0641*
Website: www.shareview.co.uk

*Calls to this number are free of charge from UK landlines.

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at the above address.

Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary at the address set out above.

Dealing Codes

ISIN:	GB0007918872
SEDOL	0791887
Ticker:	SDP

Global Intermediary Identification Number (GIIN)

SWLQRM.99999.SL.826

Legal Entity Identifier (LEI)

549300A71N7LE35KWU14

Privacy notice

The Company's privacy notice is available on its webpages

Schroder Investment Management Limited
1 London Wall Place, London EC2Y 5AU, United Kingdom
T +44 (0) 20 7658 6000

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