

Schroders

# Schroder AsiaPacific Fund plc

## Half Year Report and Accounts

For the six months ended  
31 March 2022



## Investment objective

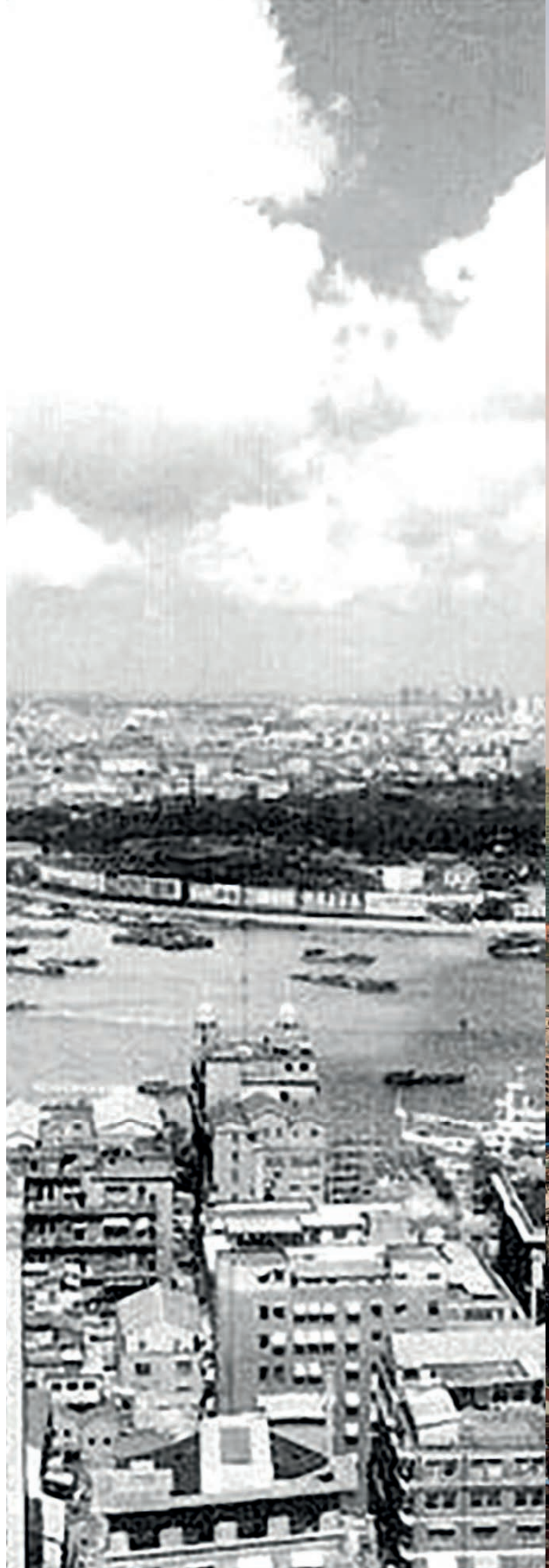
Schroder AsiaPacific Fund plc's (the "Company") principal investment objective is to achieve capital growth through investment primarily in equities of companies located in the continent of Asia (excluding the Middle East and Japan), together with the Far Eastern countries bordering the Pacific Ocean. It aims to achieve growth in excess of the MSCI All Countries Asia excluding Japan Index (with net income reinvested) 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 stock markets 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.

**Front cover:** the front and inside front cover show Shanghai in 1990 and 2021.





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# Financial Highlights

## Total returns for the six months ended 31 March 2022<sup>1</sup>



**Net asset value  
("NAV") per share<sup>2</sup>**



**Share price<sup>2</sup>**



**Benchmark<sup>3</sup>**

<sup>1</sup> Total returns measure 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 additional shares of the Company at the time the shares were quoted ex-dividend (to calculate the share price total return) or in the assets of the Company at its NAV per share (to calculate the NAV per share total return).

<sup>2</sup> Source: Morningstar.

<sup>3</sup> Source: Thomson Reuters. The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted.

## Other financial information

	31 March 2022	30 September 2021	% Change
Shareholders' funds (£'000)	<b>990,386</b>	1,057,941	(6.4)
Ordinary shares in issue	<b>163,540,716</b>	164,860,716	(0.8)
NAV per share (pence)	<b>605.59</b>	641.72	(5.6)
Share price (pence)	<b>540.00</b>	579.00	(6.7)
Share price discount to NAV per share (%)	<b>10.8</b>	9.8	
(Net cash)/gearing (%) <sup>1</sup>	<b>(0.3)</b>	0.6	

<sup>1</sup> Borrowings used for investment purposes, less cash, expressed as a percentage of net assets. A negative figure so calculated is shown as a "net cash" position and a positive figure is shown as "gearing".

# Chairman's Statement



## Performance

The Company outperformed its Benchmark for the six months ended 31 March 2022 in an extremely challenging period for Asian markets. Over the half year, the Company's net asset value ("NAV") and share price produced total returns of

-4.2% and -5.2%, respectively, compared to the Benchmark's total return of -6.9%.

Further analysis of performance may be found in the Manager's Review.

## Discount management

The discount widened slightly from 9.8% at the start of the period to 10.8% as at 31 March 2022. The Board continues to monitor closely the Company's discount levels and regularly reviews share buyback policy. During the period under review the Company bought back 1,320,000 shares for cancellation.

Between 31 March 2022 and 20 May 2022 the Company has bought back an additional 735,000 shares.

## Gearing

The Company was 0.6% geared at the beginning of the period, and as at 31 March 2022 held 0.3% net cash. As at 20 May 2022 the Company was 0.1% geared. The level of gearing continues to be well within the gearing limit of 20%.

## Outlook

Many of the geopolitical and economic risks that weighed on returns during the period remain relevant at the time of writing. While direct trade between the region and Russia is extremely limited (and none of the Company's investments have significant exposure to Russia or Ukraine in terms of revenues or assets), it is the indirect consequences of the tragic conflict that weigh on the outlook for the region. The prospect of sustained inflation across a number of commodities, most notably oil and gas, as well as headwinds to global growth and therefore exports from the region pose the greatest near-term challenges for Asia as a whole. Additionally, China's struggles with COVID and its associated zero COVID policy continue to challenge the region's largest economy.

Despite this seemingly gloomy backdrop there are reasons for optimism for Asian equity investors. Markets across the region seem to have priced in many of these challenges and Asian valuations now look significantly more attractive than they did a year ago; not only relative to their historic averages but also relative to current valuations in other key global markets. In an environment like this it is important to focus on identifying the companies best positioned to weather a range of macro-economic environments and deliver strong long-term shareholder returns. Your Investment Manager's bottom-up stock picking process seeks to do just this and the Board remains confident in the Manager's ability to continue to deliver consistent returns for our shareholders.

**James Williams**  
Chairman

23 May 2022

# Manager's Review

The net asset value per share of the Company recorded a total return of -4.2% over the six months to end March 2022. This was ahead of the performance of the Benchmark, the MSCI All Country Asia ex Japan Net Dividends Reinvested Index in GBP, which was down 6.9% over the same period. (Source: Morningstar).

## Benchmark performance 30 September 2021 to 31 March 2022



Source: Thomson Datastream. Benchmark is the MSCI AC Asia ex Japan Net Dividends Reinvested Index.

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.

Asian markets were volatile over the six months to end March 2022, with a number of headwinds globally and regionally weighing on sentiment. The Russian invasion of Ukraine towards the end of the period is a tragedy that has created a humanitarian crisis which will have long lasting impacts. In Asia the period was dominated by ongoing elevated levels of regulation in China (particularly amongst the internet names), the health of the Chinese economy and weakness of the property market, the potential impact of Omicron and the knock-on effects of global concerns over supply chain issues, rising inflation and the outlook for interest rates. Later in the period some easing measures from the Chinese authorities, signalling an apparent shift in focus towards 'stability', initially helped underpin sentiment.

However, Chinese stocks came under significant pressure in March as these concerns combined with worries over China's stance with respect to the conflict and a renewed focus on the potential delisting of Chinese ADRs from the US exchanges. This sell-off was followed by a top official coming out with a market-calming announcement addressing many of the issues in a bid to bolster confidence.

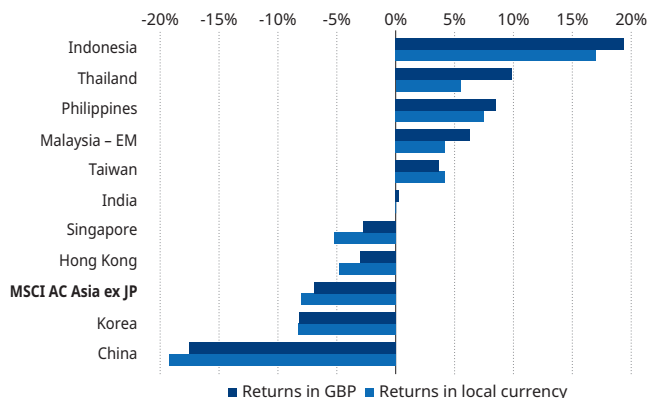
With the potential for a more sustained higher level of inflation globally, there was renewed concern over the potential for higher interest rates. This saw some of the more highly rated growth stocks come under pressure,

especially the less profitable names, with value stocks outperforming growth stocks over the period.

The divergence of returns across the regional markets continued to be high with China lagging due to a combination of ongoing regulatory fears, concern over defaults in the property sector and weaker economic growth, partly as a result of its continuing "Zero Covid" policy. Korea was also weak with the semiconductor memory sector stocks in the doldrums and some of the internet names under pressure, not only from rising rates impacting valuations, but also uncertainty over regulation given the presidential election which took place in early March. Of the larger markets Taiwan, India and Singapore all outperformed. Taiwan saw a recovery in some of the oversold IT names, as well as strength in other areas including financials. India demonstrated ongoing resilience despite elevated valuations in some areas buoyed by resilient earnings, favourable liquidity and domestic fund flows.

The other ASEAN markets performed better, helped initially by potential for opening up, as well as value stocks outperforming, in which they tend to have higher weightings.

## Country returns 30 September 2021 to 31 March 2022



Source: Factset. Country returns of the MSCI AC Asia ex Japan Net Dividends Reinvested Index in GBP and local currency.

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.

Sector returns across the region also saw a large spread of returns. Beneficiaries of rising commodity prices did well, with energy and, to a lesser extent, materials outperforming, and the prospect for higher interest rates meant financials also outperformed. Sectors with a high growth component were sold off including the healthcare names dragged down by the high multiple biotechnology stocks, as were a number of the e-commerce and internet related names.

# Manager's Review

## Performance and portfolio activity

The Company's NAV total return of -4.2% over the period compared favourably with that of the Benchmark which fell -6.9% over the period. From a relative perspective, our country positioning added value with our significant underweight to, and to a lesser extent stock selection in China adding value. The regulatory clampdown and concern over the slowing economy in China resulted in negative returns with growth names, including internet and healthcare where we are underweight in aggregate, most impacted. The overweight to Hong Kong via financials and real estate was also positive. Our investments in Australia and Vietnam also added value. Conversely, our exposure to Singapore and Taiwan was a drag. The internet name we held in Singapore was in part impacted by higher interest rates which resulted in a greater focus on the timeline for profitability from its fast growing e-commerce business; whilst a lack of exposure to the domestic financials in Taiwan resulted in negative stock selection.

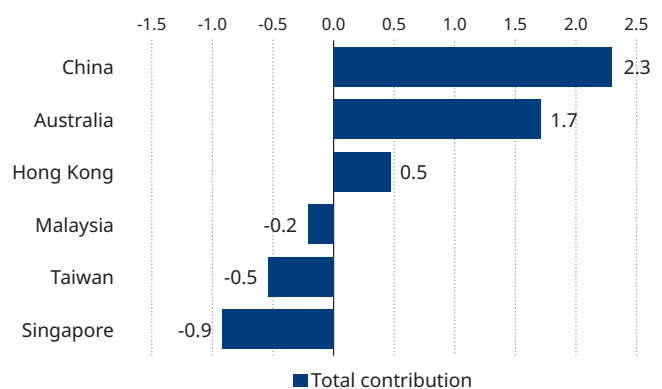
The recovery in global growth and the potential for interest rates to start to move up favoured some of the more economically sensitive sectors such as financials and materials, at the expense of the more expensive growth names. Consequently, our positioning in financials and materials added value. In financials this was driven by the holdings in banks which, in general, benefitted from a firming of interest rate expectations combined with their lowly valuations. In materials our out of index position in Australian resources was positive thanks to higher commodity prices driven by the global recovery. Information technology remains a large exposure for the Company, where our overweight position and stock selection particularly in hardware names in Taiwan and the IT Services names in India, was helpful. Some of the more expensive growth areas lagged significantly including healthcare names, especially those in China. Our stock selection in, and underweight to, the sector was a positive contributor to performance.

The geographic exposure in the Company's portfolio continues to be mainly spread between Taiwan, China, Hong Kong, Korea and India. China remains a substantial underweight but is, in part, offset by the overweight to Hong Kong. As throughout much of 2021, changes to the composition of the portfolio were made to take advantage of the valuation spread across industries, reducing stocks that performed particularly strongly, and looked more fully valued, in favour of those names that had lagged or corrected in the growth-orientated sell-off. For instance, over the period we started to add to some names in China and Hong Kong that had been sold down, in part, on the prospect of higher interest rates. These included initiating a position in a Chinese solar panel producer and adding to positions in an innovative power tool manufacturer. However, in aggregate the portfolio remains underweight in e-commerce names where we

still have concerns over both regulation and the strength of consumption. Elsewhere, we reduced positions in some of the more expensive domestic names in India that had rerated up, whilst adding to some of the IT Service companies which we believe are long-term winners. Otherwise, in ASEAN we added to holdings in Singapore where we are overweight.

In terms of sectors we continued in aggregate to add to information technology, which remains the biggest sectoral exposure in the Company's portfolio. We continue to see some strong long-term drivers for growth around digitisation and the roll out of 5G and the "Internet of Things", with our focus on Taiwanese and Korean hardware companies. However, we did sell out of a position in a semiconductor equipment manufacturer that had performed well but, in our view, looked increasingly fully valued. Selectively, we continued to add to financials, including in Singapore, where valuations still look relatively attractive given the prospect of higher interest rates and subdued credit costs. Exposure to consumer-related stocks continue to be an important feature of the investment portfolio. We added selectively to names that had sold off on concerns over weaker consumer demand in the US, but continued to be wary of adding back to the e-commerce names.

## Top 3 contributors and top 3 detractors at a country level, 6 months to 31 March 2022 (% points)



Source: Factset PA3. Top contributors and detractors are shown excluding gearing.

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.

## Outlook and policy

At the time of writing (April) the tragic conflict unfolding in Ukraine has created a humanitarian crisis resulting in suffering for millions of people. This crisis also has

# Manager's Review

implications for the global economy and stock markets. The conflict demonstrates the unpredictability of geopolitics and its impact on commodity prices will have ramifications for inflation, trade balances, nominal GDP and earnings growth globally as well impacting markets. Although direct impacts on Asia are relatively limited, rising commodity prices and any impact on global growth are headwinds. China's relationship with Russia is also likely to continue to be a focus. Unfortunately this crisis has exacerbated some of the trends that were already there in relation to rising prices and shortages. It has also reinforced the need for self-sufficiency; a desire that will inevitably have implications for globalisation.

This backdrop means that Asian markets are likely to remain volatile, with the path of the conflict in Ukraine a key driver of markets. None of the Company's investments having significant exposure to Russia or Ukraine from a revenue or asset perspective, and direct trade between the region and Russia is extremely limited. However, it is the indirect impacts that are potentially more significant, specifically the pressure that the conflict has had on commodity prices which were already rising. Higher prices will eat into consumers' real incomes globally and hence consumption, potentially hurting demand for Asian products. Asia, in aggregate, is a net importer of many commodities, including energy, and thus rising prices will act as a drag on economic growth and trade balances. Furthermore, Asian companies in general will find their raw material costs rising which will potentially squeeze profitability unless companies are able to pass them through in end prices. Nevertheless, although painful for certain countries' external accounts, and many companies' input costs, volatility in commodity prices is a risk investors are used to dealing with in Asia and creates winners as well as losers.

With price rises being seen globally in many areas, the question whether inflation will be transitory or more structural remains but for now the path for rate expectations has moved higher. Therefore, it is likely that we see renewed concerns over tightening and tapering going forward. Although most economies in Asia remain better placed than in 2013, when we last saw a prolonged QE tapering episode, thanks to improved external accounts and higher real interest rate differentials with the US, valuations in some 'high growth' areas may come under pressure. Beneficiaries of higher prices and firmer interest rates include materials companies and financials, both areas where we have exposure.

The other trend that the crisis has reinforced has been the need for increased self-sufficiency. The need for diversified supply chains was something that the COVID crisis had highlighted following the disruption the pandemic caused. With security of supply already a focus in areas such as semiconductor production owing to ongoing US-China tensions and the concentration of advanced manufacturing in Taiwan, the Ukraine conflict

has also highlighted the vulnerability of nations to energy supply dependency. All this will likely lead to further localisation of supply chains and an era of reduced globalisation.

Regionally, a number of other issues have been weighing on sentiment. Although globally most countries are starting 'to live' with COVID, in part thanks to high rates of vaccination, China remains an outlier in continuing to pursue a zero COVID policy. The Omicron variant has proven to be very difficult to control, with a deadly 5th wave impacting Hong Kong. At the time of writing various parts of China including Shanghai are locked down, with estimates that around 200 million people are under full or partial lockdown. Although the overall vaccination rate is high in China, there still remains a large tranche of the very elderly that are unvaccinated, which means a move away from zero COVID in the near term is unlikely and that these rolling shutdowns are likely to continue and potentially weigh heavily on growth.

From an economic perspective, there were already concerns over the strength of the economy in China given the weakness of the property sector and the generally lacklustre consumer. This combined with the ongoing regulatory scrutiny being faced by many of the internet names had already seen the government shift policy onto an easing track, with a focus on stability. These latest lockdowns are likely to see renewed pressure to take further stimulative actions especially if global growth, and thus exports, start to slow.

All of the above paints a pretty negative backdrop. However, this has in part been reflected in market action with valuations today looking much less frothy than they did a year ago, particularly versus global equities. Although it is likely we will see further downward revisions to earnings, aggregate valuations for the region are now trading at or below long-term averages and at the lower end of the range versus the rest of the world.

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 which have structural advantages allowing them to survive (and hopefully thrive!) in as wide a range of external conditions as possible. Therefore, a focus on attractive bottom-up ideas, in our view, remains essential.



# Manager's Review

## Country Weights – Company vs. Benchmark

	Net Asset Value Weight (%)		Benchmark Weight (%)
	31 Mar 2022	30 Sep 2021	31 Mar 2022
Taiwan	18.2	16.2	18.5
China	17.4	18.3	34.4
South Korea	15.8	16.7	14.4
India	15.2	15.2	15.0
Hong Kong (SAR)	12.7	12.4	7.3
Singapore	6.5	7.3	3.7
Australia	4.2	2.9	-
Thailand	2.1	1.6	2.1
Indonesia	1.9	1.4	2.0
Malaysia	-	-	1.7
Philippines	-	0.1	0.9
Other equities*	5.7	8.5	-
Net cash/(gearing)	0.3	(0.6)	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\* Vietnam, Italy and a UK unit trust.

Source: Schroders, MSCI.

**Schroder Investment Management Limited**  
23 May 2022

# Half Year Report

## Principal risks and uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: strategy and competitiveness risk; investment management risk; financial and currency risk; accounting, legal and regulatory risk; custodian and depositary risk; service provider risk; and cyber. A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 18 and 20 of the Company's published annual report and accounts for the year ended 30 September 2021.

These risks and uncertainties have not materially changed during the six months ended 31 March 2022. However, the Board undertook a review of principal and emerging risks for the Company while reviewing these accounts. The Directors noted that geopolitical risk and climate change risk continued to develop. In particular, for geopolitical risk, the war in Ukraine was affecting political relationships, supply chains and inflation. In addition, sanctions against individuals and companies, for various reasons, are increasing. There is increasing awareness of the potential effects of climate change on company returns and also the increased risk of cyber attacks. These developments will continue to be monitored and reported on in the next annual report as appropriate.

## Going concern

Having assessed the principal risks and uncertainties, and the other matters discussed in connection with the viability statement as set out on page 20 of the published annual report and accounts for the year ended 30 September 2021, the Directors consider it appropriate to adopt the going concern basis in preparing the accounts.

## Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 31 March 2022.

## Directors' responsibility statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in April 2021, and that this half year report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

# Investment Portfolio as at 31 March 2022

Investments are classified by the investment manager in the country of their main business operations. Stocks in bold are the 20 largest investments, which by value account for 62.5% (30 September 2021: 65.2% and 31 March 2021: 68.5%) of total investments.

	£'000	%
<b>Taiwan</b>		
<b>Taiwan Semiconductor Manufacturing</b>	<b>93,493</b>	<b>9.4</b>
<b>Hon Hai Precision Industries</b>	<b>20,717</b>	<b>2.1</b>
<b>Mediatek</b>	<b>19,192</b>	<b>1.9</b>
Delta Electronics	13,264	1.3
Novatek Microelectronics	12,244	1.2
Giant Manufacturing	12,133	1.2
Nien Made Enterprise	9,990	1.0
<b>Total Taiwan</b>	<b>181,033</b>	<b>18.1</b>
<b>Mainland China</b>		
<b>Tencent Holdings<sup>1</sup></b>	<b>36,338</b>	<b>3.7</b>
<b>Alibaba<sup>1</sup></b>	<b>32,175</b>	<b>3.2</b>
<b>Midea (including A shares and LEPO<sup>2</sup>)</b>	<b>24,735</b>	<b>2.5</b>
Ping An Insurance H <sup>1</sup>	14,548	1.5
JD.com <sup>1</sup>	14,405	1.5
Longi Green Energy Technology A	12,236	1.2
Shenzhen International <sup>1</sup>	11,370	1.1
Yum China <sup>2</sup>	10,285	1.0
Oppein Home A	8,561	0.9
Hongfa Technology A	8,184	0.8
<b>Total Mainland China</b>	<b>172,837</b>	<b>17.4</b>
<b>South Korea</b>		
<b>Samsung Electronics (including preference shares)</b>	<b>94,368</b>	<b>9.5</b>
<b>Naver</b>	<b>20,560</b>	<b>2.1</b>
<b>Samsung SDI</b>	<b>17,934</b>	<b>1.8</b>
SK Hynix	12,397	1.2
LG Household & Healthcare	7,070	0.7
NHN KCP	5,244	0.5
<b>Total South Korea</b>	<b>157,573</b>	<b>15.8</b>

	£'000	%
<b>India</b>		
<b>HDFC Bank</b>	<b>33,371</b>	<b>3.4</b>
<b>ICICI Bank (including ADR<sup>2</sup>)</b>	<b>24,424</b>	<b>2.5</b>
<b>Infosys</b>	<b>18,180</b>	<b>1.8</b>
Apollo Hospitals Enterprise	15,802	1.6
Tata Consultancy Services	14,521	1.5
Reliance Industries	12,689	1.3
Maruti Suzuki	12,211	1.2
Container Corporation	11,131	1.1
Gujarat Pipavav Port	5,597	0.6
Alembic Pharmaceuticals	3,036	0.3
<b>Total India</b>	<b>150,962</b>	<b>15.3</b>
<b>Hong Kong (SAR)</b>		
<b>AIA</b>	<b>27,392</b>	<b>2.8</b>
<b>Techtronic Industries</b>	<b>20,036</b>	<b>2.0</b>
<b>BOC Hong Kong</b>	<b>19,390</b>	<b>2.0</b>
Hong Kong Exchanges and Clearing	15,368	1.5
Kerry Properties	13,855	1.4
Hang Lung Properties	11,601	1.2
Swire Properties	8,621	0.9
ASM Pacific Technology	6,200	0.6
Johnson Electric	3,698	0.4
Chow Sang Sang	253	-
<b>Total Hong Kong (SAR)</b>	<b>126,414</b>	<b>12.8</b>
<b>Singapore</b>		
<b>Oversea-Chinese Banking</b>	<b>19,569</b>	<b>2.0</b>
Singapore Exchange	14,191	1.4
United Overseas Bank	14,164	1.4
Sea ADR <sup>2</sup>	13,479	1.3
Singapore Telecommunications	3,204	0.3
<b>Total Singapore</b>	<b>64,607</b>	<b>6.4</b>
<b>Australia</b>		
<b>BHP Group<sup>3</sup></b>	<b>32,281</b>	<b>3.3</b>
Orica	9,915	1.0
<b>Total Australia</b>	<b>42,196</b>	<b>4.3</b>

# Investment Portfolio as at 31 March 2022

	£'000	%
<b>Vietnam</b>		
Dragon Capital Vietnam Enterprise Investments <sup>3</sup>	26,713	2.7
<b>Total Vietnam</b>	<b>26,713</b>	<b>2.7</b>
<b>Thailand</b>		
Kasikornbank NVDR	15,431	1.6
Bangkok Dusit Medical Services NVDR	5,746	0.6
<b>Total Thailand</b>	<b>21,177</b>	<b>2.2</b>
<b>Indonesia</b>		
Bank Mandiri	19,313	1.9
<b>Total Indonesia</b>	<b>19,313</b>	<b>1.9</b>
<b>United Kingdom</b>		
Schroder Small Cap Discovery Fund Z Acc <sup>4</sup>	18,448	1.9
<b>Total United Kingdom</b>	<b>18,448</b>	<b>1.9</b>
<b>Italy</b>		
Prada <sup>1</sup>	11,889	1.2
<b>Total Italy</b>	<b>11,889</b>	<b>1.2</b>
<b>Total Investments<sup>5</sup></b>	<b>993,162</b>	<b>100.0</b>

<sup>1</sup> Listed in Hong Kong.

<sup>2</sup> Listed in the USA.

<sup>3</sup> Listed in the United Kingdom.

<sup>4</sup> Predominantly invested in Asia.

<sup>5</sup> Total investments comprises the following:

	£'000	%
Equities, including ADRs, LEPOs and NVDRs	930,215	93.6
Collective investment funds	45,161	4.6
Preference shares	17,786	1.8
<b>Total investments</b>	<b>993,162</b>	<b>100.0</b>

The following abbreviations have been used above:

ADR: American Depositary Receipt

LEPO: Low Exercise Price Option

NVDR: Non Voting Depositary Receipt

# Income Statement

## for the six months ended 31 March 2022 (unaudited)

	(Unaudited) For the six months ended 31 March 2022			(Unaudited) For the six months ended 31 March 2021			(Audited) For the year ended 30 September 2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	-	(44,814)	(44,814)	-	188,185	188,185	-	132,242	132,242
Net foreign currency losses	-	(381)	(381)	-	(618)	(618)	-	(1,028)	(1,028)
Income from investments	5,804	-	5,804	6,775	-	6,775	20,783	1,615	22,398
Other interest receivable and similar income	1	-	1	1	-	1	-	-	-
<b>Gross return/(loss)</b>	<b>5,805</b>	<b>(45,195)</b>	<b>(39,390)</b>	<b>6,776</b>	<b>187,567</b>	<b>194,343</b>	<b>20,783</b>	<b>132,829</b>	<b>153,612</b>
Investment management fee	(911)	(2,732)	(3,643)	(1,042)	(3,127)	(4,169)	(2,026)	(6,078)	(8,104)
Administrative expenses	(787)	-	(787)	(644)	(1)	(645)	(1,282)	(1)	(1,283)
<b>Net return/(loss) before finance costs and taxation</b>	<b>4,107</b>	<b>(47,927)</b>	<b>(43,820)</b>	<b>5,090</b>	<b>184,439</b>	<b>189,529</b>	<b>17,475</b>	<b>126,750</b>	<b>144,225</b>
Finance costs	(12)	(37)	(49)	(11)	(33)	(44)	(22)	(66)	(88)
<b>Net return/(loss) before taxation</b>	<b>4,095</b>	<b>(47,964)</b>	<b>(43,869)</b>	<b>5,079</b>	<b>184,406</b>	<b>189,485</b>	<b>17,453</b>	<b>126,684</b>	<b>144,137</b>
Taxation (note 3)	(539)	208	(331)	(772)	(3,200)	(3,972)	(1,373)	(5,787)	(7,160)
<b>Net return/(loss) after taxation</b>	<b>3,556</b>	<b>(47,756)</b>	<b>(44,200)</b>	<b>4,307</b>	<b>181,206</b>	<b>185,513</b>	<b>16,080</b>	<b>120,897</b>	<b>136,977</b>
<b>Return/(loss) per share</b> (note 4)	<b>2.17p</b>	<b>(29.08)p</b>	<b>(26.91)p</b>	<b>2.58p</b>	<b>108.63p</b>	<b>111.21p</b>	<b>9.66p</b>	<b>72.61p</b>	<b>82.27p</b>

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/(loss) after taxation is also the total comprehensive income/(loss) for the period.

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

# Statement of Changes in Equity

## For the six months ended 31 March 2022 (unaudited)

	Called-up share capital £'000	Share redemption premium £'000	Capital 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	(132)	-	132	-	(7,433)	-	-	(7,433)
Net (loss)/return after taxation	-	-	-	-	-	(47,756)	3,556	(44,200)
Dividend paid in the period (note 5)	-	-	-	-	-	-	(15,922)	(15,922)
<b>At 31 March 2022</b>	<b>16,354</b>	<b>100,956</b>	<b>3,790</b>	<b>8,704</b>	<b>8,677</b>	<b>846,607</b>	<b>5,298</b>	<b>990,386</b>

## For the six months ended 31 March 2021 (unaudited)

	Called-up share capital £'000	Share redemption premium £'000	Capital reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2020	16,682	100,956	3,462	8,704	27,946	773,466	14,930	946,146
Repurchase and cancellation of the Company's own shares	(15)	-	15	-	(953)	-	-	(953)
Net return after taxation	-	-	-	-	-	181,206	4,307	185,513
Dividend paid in the period (note 5)	-	-	-	-	-	-	(13,346)	(13,346)
<b>At 31 March 2021</b>	<b>16,667</b>	<b>100,956</b>	<b>3,477</b>	<b>8,704</b>	<b>26,993</b>	<b>954,672</b>	<b>5,891</b>	<b>1,117,360</b>

## For the year ended 30 September 2021 (audited)

	Called-up share capital £'000	Share redemption premium £'000	Capital reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2020	16,682	100,956	3,462	8,704	27,946	773,466	14,930	946,146
Repurchase and cancellation of the Company's own shares	(196)	-	196	-	(11,836)	-	-	(11,836)
Net return after taxation	-	-	-	-	-	120,897	16,080	136,977
Dividend paid in the year (note 5)	-	-	-	-	-	-	(13,346)	(13,346)
<b>At 30 September 2021</b>	<b>16,486</b>	<b>100,956</b>	<b>3,658</b>	<b>8,704</b>	<b>16,110</b>	<b>894,363</b>	<b>17,664</b>	<b>1,057,941</b>

# Statement of Financial Position at 31 March 2022 (unaudited)

	(Unaudited) 31 March 2022 £'000	(Unaudited) 31 March 2021 £'000	(Audited) 30 September 2021 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	993,162	1,103,436	1,068,988
<b>Current assets</b>			
Debtors	5,234	4,788	8,499
Cash at bank and in hand	14,076	32,427	7,504
	<b>19,310</b>	37,215	16,003
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	(17,556)	(20,118)	(21,162)
<b>Net current assets/(liabilities)</b>	<b>1,754</b>	17,097	(5,159)
<b>Total assets less current liabilities</b>	<b>994,916</b>	1,120,533	1,063,829
<b>Non current liabilities</b>			
Deferred taxation	(4,530)	(3,173)	(5,888)
<b>Net assets</b>	<b>990,386</b>	1,117,360	1,057,941
<b>Capital and reserves</b>			
Called-up share capital (note 6)	16,354	16,667	16,486
Share premium	100,956	100,956	100,956
Capital redemption reserve	3,790	3,477	3,658
Warrant exercise reserve	8,704	8,704	8,704
Share purchase reserve	8,677	26,993	16,110
Capital reserves	846,607	954,672	894,363
Revenue reserve	5,298	5,891	17,664
<b>Total equity shareholders' funds</b>	<b>990,386</b>	1,117,360	1,057,941
<b>Net asset value per share (note 7)</b>	<b>605.59p</b>	670.40p	641.72p

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

Company registration number: 03104981

# Notes to the Accounts

## 1. Financial Statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the year ended 30 September 2021 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

## 2. Accounting policies

### Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in April 2021.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 September 2021.

## 3. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. The taxation charge comprises irrecoverable overseas withholding tax on dividends receivable, and overseas capital gains tax.

## 4. Return/(loss) per share

	(Unaudited) Six months ended 31 March 2022 £'000	(Unaudited) Six months ended 31 March 2021 £'000	(Audited) Year ended 30 September 2021 £'000
Revenue return	3,556	4,307	16,080
Capital (loss)/return	(47,756)	181,206	120,897
<b>Total (loss)/return</b>	<b>(44,200)</b>	185,513	136,977
Weighted average number of shares in issue during the period	<b>164,224,700</b>	166,808,353	166,499,784
Revenue return per share	<b>2.17p</b>	2.58p	9.66p
Capital (loss)/return per share	<b>(29.08)p</b>	108.63p	72.61p
<b>Total (loss)/return per share</b>	<b>(26.91)p</b>	111.21p	82.27p

## 5. Dividends paid

	(Unaudited) Six months ended 31 March 2022 £'000	(Unaudited) Six months ended 31 March 2021 £'000	(Audited) Year ended 30 September 2021 £'000
2021 final dividend paid of 9.70p (2020: 8.00p)	<b>15,922</b>	13,346	13,346

No interim dividend has been declared in respect of the six months ended 31 March 2022 (2021: nil).



# Notes to the Accounts

## 6. Called-up share capital

	(Unaudited) Six months ended 31 March 2022	(Unaudited) Six months ended 31 March 2021	(Audited) Year ended 30 September 2021
<b>Ordinary shares of 10p each, allotted, called-up and fully paid:</b>			
Opening balance of shares in issue	164,860,716	166,820,716	166,820,716
Shares repurchased and cancelled	(1,320,000)	(150,000)	(1,960,000)
<b>Closing balance of shares in issue</b>	<b>163,540,716</b>	166,670,716	164,860,716

## 7. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 31 March 2022 of 163,540,716 (31 March 2021: 166,670,716 and 30 September 2021: 164,860,716).

## 8. 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.

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.

The Company's investment portfolio was categorised as follows:

	(Unaudited) 31 March 2022 £'000	(Unaudited) 31 March 2021 £'000	(Audited) 30 September 2021 £'000
Level 1	993,162	1,103,436	1,068,988
Level 2	-	-	-
Level 3	-	-	-
<b>Total</b>	<b>993,162</b>	1,103,436	1,068,988

There have been no transfers between Levels 1, 2 or 3 during the period (period ended 31 March 2021 and year ended 30 September 2021: nil).

## 9. Events after the interim period that have not been reflected in the financial statements for the interim period

The Directors have evaluated the period since the interim date and have not noted any significant events which have not been reflected in the financial statements.

## Directors

James Williams (Chairman)  
Keith Craig  
Julia Goh  
Vivien Gould  
Martin Porter

## Advisers

### Alternative Investment Fund Manager ("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 3847

### Registered Office

1 London Wall Place  
London EC2Y 5AU

### Depository and Custodian

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

### Lending Bank

SMBC Bank International plc  
99 Queen Victoria Street  
London EC4V 4EH

### Corporate Broker

Numis Securities Limited  
45 Gresham Street  
London EC2V 7BF

## Registrar

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA  
Shareholder Helpline  
0800 032 0641\*

Website: [www.shareview.co.uk](http://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 Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

## Independent Auditor

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

Certain pre-sale, regular and periodic disclosures required by the AIFM Directive may be found on its webpages.

The Company's leverage policy and details of limits on leverage required under the AIFM Directive are published on its webpages.

## Dealing codes

ISIN Number: GB0007918872  
SEDOL Number: 0791887  
Ticker: SDP

## Global Intermediary Identification Number (GIIN)

SWLQRM.99999.SL.826

## Legal Entity Identifier (LEI)

549300A71N7LE35KWU14

The Company's privacy notice is  
available on its webpage.

