

Schroders

SCHRODER ASIAN GROWTH FUND

Annual Report & Financial Statements

December 2019



SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

Manager

Schroder Investment Management (Singapore) Ltd
138 Market Street
#23-01 CapitaGreen
Singapore 048946
Company Registration No. 199201080H

Trustee

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320
Company Registration No. 194900022R

Auditor

PricewaterhouseCoopers LLP
7 Straits View
Marina One East Tower, Level 12
Singapore 018936

Solicitor to the Manager

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Solicitor to the Trustee

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

Further Information

Schroders is a Foreign Account Tax Compliance Act ("FATCA") compliant organisation. Please find the FATCA classification of this Fund and its Global Intermediary Identification Number ("GIIN") below.

FATCA entity classification: Nonreporting IGA FFI / Sponsored Investment Entity
GIIN: WM9S4Z.00023.SF.702

COMMENTARY

The events of the past year or two have made Asian markets feel less bound by economic fundamentals and more hostage to unsettling political developments. Many of the long-held assumptions underpinning our Asian investments – such as the merits of global free trade or the rule of law and stability of Hong Kong – are being radically challenged. The ongoing US-China trade dispute has sapped momentum in many regional economies and we do not expect any major upswing in economic growth as both the Chinese and the US economies are slowing. As a result, microeconomic, rather than macroeconomic, factors will drive stock selection. This involves seeking companies that have the ability to achieve growth based on their competitive advantage or ability to grow market share, rather than due to the economic cycle.

Across the Asia region, China offers the best opportunities for stock pickers. Headline growth in China has slowed considerably in recent years, with nominal GDP now around 6-7%, compared with between 15% and 20% at its peak. However, there has been a dramatic explosion in the growth of “newer” parts of the economy as the service sector takes over the baton for economic development. E-commerce continues to grow many times faster than underlying retail sales. At the same time, sectors such as healthcare, education, travel and leisure now account for a greater share of consumer spending, with growth rates much higher than the wider economy.

Our strategy for Asian equities remains balanced as we move into 2020. Overall market valuations in Asia look reasonable against historical comparisons. However, this masks the fact that sectors such as banking, automotives and commodities drag down the headline valuations. The valuations of stocks we want to own are definitely not cheap, so we anticipate moderate returns from the region. However, we have a strong long-term conviction on where the best opportunities are in Asia. These include stocks in sectors such as Chinese consumption, insurance, technology, real estate in Singapore and Indian private-sector banks.

Inflation and interest rates are likely to remain low. Against this backdrop, equity dividend yields offer attractive returns that are now well above risk-free rates in most Asian markets. Payout ratios remain modest, aggregate balance sheet leverage is below international averages and returns boosted by buybacks have been limited. As a result, there is considerable potential for payouts to increase as companies become more willing to distribute surplus cash to shareholders. In a low-growth world, we also look for stocks where the bulk of the return is likely to come from dividends, provided we see the potential for dividends to be sustained, or ideally, grow.

December 2019

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2019

The Trustee is under a duty to take into custody and hold the assets of Schroder Asian Growth Fund (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 8 to 33, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC Institutional Trust Services (Singapore) Limited

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2019

In the opinion of Schroder Investment Management (Singapore) Ltd, the accompanying financial statements set out on pages 8 to 33, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of Schroder Asian Growth Fund (the "Fund") as at 31 December 2019, and the financial performance and movements of unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of Schroder Investment Management (Singapore) Ltd

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

Our Opinion

In our opinion, the accompanying financial statements of Schroder Asian Growth Fund (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2019, and of the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2019;
- the Statement of Financial Position as at 31 December 2019;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2019;
- the Statement of Portfolio as at 31 December 2019; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 audit opinion.

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines 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 Manager is responsible for assessing the Fund'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 Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

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 SSAs 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.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
SCHRODER ASIAN GROWTH FUND**

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 26 March 2020

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2019*

	Notes	2019 \$	2018 \$
Income			
Dividends:			
Singapore		1,465,466	958,046
Foreign		32,733,616	27,261,740
Interest on deposits with banks	10	91,585	36,714
Sundry income		38	-
		34,290,705	28,256,500
Less : Expenses			
Management fees	10	17,262,839	15,750,829
Trustee fees	10	475,676	435,356
Valuation fees	10	374,099	340,538
Custodian fees	10	422,364	385,324
Registration fees	10	1,520,230	1,387,173
Audit fees		13,485	22,280
Transaction costs		1,168,578	1,185,550
Others		440,451	553,315
		21,677,722	20,060,365
Net income		12,612,983	8,196,135
Net gains or losses on value of investments and financial derivatives			
Net gains/(losses) on investments		272,112,420	(235,718,348)
Net losses on spot foreign exchange contracts		(210,760)	(1,072,402)
Net foreign exchange (losses)/gains		(4,454)	284,442
		271,897,206	(236,506,308)
Total return/(deficit) for the year before income tax			
		284,510,189	(228,310,173)
Income tax expense	3	(5,596,015)	(3,234,189)
Total return/(deficit) for the year		278,914,174	(231,544,362)

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF FINANCIAL POSITION***As at 31 December 2019*

	Notes	2019 \$	2018 \$
ASSETS			
Portfolio of investments		1,628,690,475	1,335,932,507
Bank balances	10	13,242,559	26,880,282
Sales awaiting settlement		-	97,759
Receivables	5	6,358,600	11,016,446
Total assets		1,648,291,634	1,373,926,994
LIABILITIES			
Payables	7	51,834,684	34,434,973
Financial derivatives	6	-	853
Total liabilities		51,834,684	34,435,826
EQUITY			
Net assets attributable to unitholders	8	1,596,456,950	1,339,491,168

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2019*

	Notes	2019 \$	2018 \$
Net assets attributable to unitholders at the beginning of the financial year		1,339,491,168	1,168,018,072
Operations			
Change in net assets attributable to unitholders resulting from operations		278,914,174	(231,544,362)
Unitholders' contributions/(withdrawals)			
Creation of units		403,066,858	744,153,242
Cancellation of units		(361,019,671)	(285,158,484)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		42,047,187	458,994,758
Distributions	4	(63,995,579)	(55,977,300)
Total increase in net assets attributable to unitholders		256,965,782	171,473,096
Net assets attributable to unitholders at the end of the financial year	8	1,596,456,950	1,339,491,168

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2019***Primary**

	Holdings at 31 Dec 2019	Fair value at 31 Dec 2019 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2019 %
By geography			
Quoted			
Equities			
CHINA			
Alibaba Group Hldg Ltd	836,716	29,918,463	1.87
Alibaba Group Hldg Ltd ADR	333,751	95,185,874	5.97
Anhui Kouzi Distillery Co Ltd	1,492,057	15,816,691	0.99
Budweiser Brewing Co APAC Ltd	2,918,300	13,245,158	0.83
China Mengniu Dairy Co Ltd	3,148,000	17,112,629	1.07
China Pacific Insurance Group Co Ltd H Shares	7,328,800	38,827,793	2.43
China Petroleum & Chemical Corp H Shares	26,870,000	21,747,632	1.36
China Resources Land Ltd	4,720,000	31,604,228	1.98
China Taiping Insurance Hldg Co Ltd	7,893,542	26,317,856	1.65
CNOOC Ltd	7,475,000	16,718,128	1.05
Hefei Meiya Optoelectronic Technology Inc A Shares	1,326,429	10,012,431	0.63
Hollysys Automation Technologies Ltd	712,564	15,723,228	0.98
Huazhu Group Ltd ADR	492,454	26,533,483	1.66
Hutchison China MediTech Ltd ADR	1,015,771	34,242,022	2.14
Leyard Optoelectronic Co Ltd	12,469,331	18,463,639	1.16
Midea Group Co Ltd A Shares	2,298,028	25,842,232	1.62
New Oriental Education & Technology Group Inc ADR	234,495	38,231,786	2.39
Tencent Hldg Ltd	1,521,800	98,640,355	6.19
Vipshop Hldg Ltd ADR	1,364,078	25,990,720	1.63
WuXi Biologics Cayman Inc	645,000	10,980,655	0.69
Zhejiang Sanhua Intelligent Controls Co Ltd A Shares	5,833,283	19,515,981	1.22
		630,670,984	39.51
HONG KONG			
AIA Group Ltd	4,992,000	70,469,200	4.42
BOC Hong Kong Hldg Ltd	5,048,000	23,564,492	1.48
Chow Sang Sang Hldg Intl Ltd	5,001,000	8,362,807	0.52
Galaxy Entertainment Group Ltd	3,693,000	36,581,597	2.29
Jardine Strategic Hldg Ltd	705,700	29,084,383	1.82
Kerry Properties Ltd	6,250,000	26,694,801	1.67
Pacific Textiles Hldg Ltd	9,888,000	9,129,221	0.57
Swire Properties Ltd	6,270,050	27,970,679	1.75
Techtronic Ind Co Ltd	4,384,000	48,079,236	3.02
		279,936,416	17.54

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2019***Primary (continued)**

	Holdings at 31 Dec 2019	Fair value at 31 Dec 2019 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2019 %
By geography			
Quoted			
Equities			
INDIA			
Apollo Hospitals Enterprise Ltd	846,189	22,986,699	1.44
Arvind Fashions Ltd	610,431	4,523,920	0.28
Arvind Ltd	1,750,270	1,317,243	0.08
HDFC Bank Ltd	2,526,866	60,554,641	3.80
ICICI Bank Ltd	4,869,796	49,438,231	3.10
Infosys Ltd	1,677,265	23,102,136	1.45
The Phoenix Mills Ltd	1,398,486	21,937,678	1.37
Zee Entertainment Enterprises Ltd	2,650,936	14,592,289	0.91
		198,452,837	12.43
PHILIPPINES			
Ayala Land Inc	18,060,800	21,818,308	1.37
Bank of the Philippine Islands	7,482,160	17,461,781	1.09
RFM Corp	70,610,600	9,936,157	0.62
		49,216,246	3.08
SINGAPORE			
Oversea-Chinese Banking Corp Ltd	3,300,994	36,244,914	2.27
SOUTH KOREA			
LG Chem Ltd	74,946	27,667,797	1.73
Mando Corp	207,213	8,480,902	0.53
Samsung Electronics Co Ltd	1,865,564	121,039,396	7.59
SK Materials Co Ltd	127,332	27,464,005	1.72
		184,652,100	11.57
SRI LANKA			
John Keells Hldg PLC	13,164,018	16,356,648	1.02

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2019***Primary (continued)**

	Holdings at 31 Dec 2019	Fair value at 31 Dec 2019 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2019 %
By geography			
Quoted			
Equities			
TAIWAN			
Largan Precision Co Ltd	64,000	14,353,938	0.90
Merida Ind Co Ltd	1,959,850	15,516,317	0.97
Taiwan Semiconductor Manufacturing Co Ltd	9,133,309	135,605,478	8.50
		165,475,733	10.37
THAILAND			
Kasikornbank PCL NVDR	3,000,300	20,337,599	1.27
UNITED KINGDOM			
Standard Chartered PLC	2,107,700	26,370,494	1.65
UNITED STATES OF AMERICA			
Samsonite Intl SA	6,500,100	20,976,504	1.31
Portfolio of investments		1,628,690,475	102.02
Other net liabilities		(32,233,525)	(2.02)
Net assets attributable to unitholders		1,596,456,950	100.00

Legend :

ADR : American Depositary Receipts

NVDR : Non-Voting Depositary Receipts

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2019***Primary** (continued)

	Percentage of total net assets attributable to unitholders at 31 Dec 2019 %	Percentage of total net assets attributable to unitholders at 31 Dec 2018 %
By geography (summary)		
Quoted		
China	39.51	34.70
Hong Kong	17.54	18.66
India	12.43	13.11
Indonesia	-	0.05
Philippines	3.08	1.80
Singapore	2.27	3.26
South Korea	11.57	12.73
Sri Lanka	1.02	1.00
Taiwan	10.37	9.77
Thailand	1.27	1.63
United Kingdom	1.65	2.02
United States of America	1.31	1.00
Portfolio of investments	102.02	99.73
Other net (liabilities)/assets	(2.02)	0.27
Net assets attributable to unitholders	100.00	100.00

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2019***Secondary**

		Percentage of total net assets attributable to unitholders at 31 Dec 2019	Percentage of total net assets attributable to unitholders at 31 Dec 2018
By industry	Fair value at 31 Dec 2019 \$	%	%
Automobiles & Components	8,480,902	0.53	0.89
Bank	233,972,152	14.67	14.83
Chemicals/Petrochemicals	55,131,802	3.45	3.79
Computer/Software	23,102,136	1.45	-
Consumer Durables	77,305,437	4.84	4.69
Diversified Operations	45,441,031	2.85	3.31
Education Services	38,231,786	2.39	1.72
Food & Beverage	56,110,635	3.51	0.67
Health Care/Pharmaceuticals	68,209,376	4.27	4.27
Hotel & Leisure	63,115,080	3.95	5.44
Industrial Machinery	93,330,876	5.85	5.65
Insurance	135,614,849	8.49	9.49
Internet Services	223,744,692	14.03	4.83
IT Services	-	-	1.61
Media	14,592,289	0.91	7.09
Oil & Gas	38,465,760	2.41	2.61
Real Estate	130,025,694	8.14	7.93
Retail	34,353,527	2.15	2.56
Semiconductor	135,605,478	8.49	6.82
Software	-	-	0.57
Technology Hardware & Equipment	153,856,973	9.64	9.48
Telecommunications	-	-	1.48
Portfolio of investments	1,628,690,475	102.02	99.73
Other net (liabilities)/assets	(32,233,525)	(2.02)	0.27
Net assets attributable to unitholders	1,596,456,950	100.00	100.00

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Schroder Asian Growth Fund (the “Fund”) is a unit trust constituted by a Deed of Trust dated 4 April 1991 (and as amended, restated and supplemented from time to time) (thereafter referred to as “Trust Deed”). The Trust Deed is governed in accordance with the laws of the Republic of Singapore. The Manager of the Fund is Schroder Investment Management (Singapore) Ltd and the Trustee is HSBC Institutional Trust Services (Singapore) Limited.

The Fund, which was launched on 8 May 1991, seeks long-term capital growth primarily through investment in securities of companies quoted on stock markets in Asia (including Australia and New Zealand but excluding Japan). The portfolio of the Fund will be broadly diversified with no specific industry or sectoral emphasis.

The Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switching in and out of the Fund. This is known as “dilution”. In order to counter this and to protect unitholders’ interests, with effect from 1 October 2018, the Manager will apply “dilution adjustment” as part of its daily valuation policy. This will mean that in certain circumstances the Manager (if in its opinion in good faith it is in the interest of unitholders to do so) will make adjustments in the calculations of the net asset value per unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switching and redemptions received by the Fund for each dealing day. The Manager therefore reserves the right to make a dilution adjustment where the Fund experiences a net cash movement which exceeds a threshold of the previous dealing day’s total net asset value.

Any dilution adjustment as at the last dealing day of the year will be disclosed under units in issue.

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recorded gross in the Statement of Total Return in the accounting year in which a dividend is declared payable by the investee company. Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Investments

Investments are classified as financial assets held at fair value through profit or loss. Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition, and subsequently carried at fair value. The fair value of financial assets and liabilities traded in active markets is based on last traded market prices for equities on the reporting date.

Investments are derecognised on the trade date of disposal. Net gains or losses on investments are taken up in the Statement of Total Return.

(d) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(e) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

SCHRODER ASIAN GROWTH FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2. Significant accounting policies (continued)

(f) Bank balances

Bank balances comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(g) Payables

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

(h) Foreign currency translation

The Fund may hold assets and liabilities denominated in currencies other than Singapore dollars. The financial statements are presented in Singapore dollars, which is the Fund's functional and presentation currency.

Foreign currency transactions during the year are translated into Singapore dollars at the rates of exchange ruling on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the reporting date. Foreign exchange gains or losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of foreign currency monetary assets and liabilities, are taken to the Statement of Total Return.

(i) Financial derivatives

Financial derivatives are recognised at fair value on the date in which a financial derivative contract is entered into and are subsequently re-measured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions. A financial derivative is carried as an asset when its fair value is positive, and as a liability when its fair value is negative.

Net gains or losses on financial derivatives held for protection or enhancement of investments are taken to the Statement of Total Return as gains or losses on financial derivatives.

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

2. Significant accounting policies (continued)

(j) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

(k) Distribution

The Manager shall have the absolute discretion to determine whether a distribution is to be made. In the event that the Manager determines that a distribution will be made, an amount required to effect such a distribution shall be transferred to a distribution account for payment on distribution date. This amount shall not be treated as part of the property of the Fund.

Distribution is accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

3. Income tax

The Fund has been approved by the Monetary Authority of Singapore under the Enhanced-Tier Fund Tax Incentive Scheme (Section 13X of the Income Tax Act) and is included in the Central Provident Fund Investment Scheme. Subject to certain conditions being met on an annual basis, the Fund will be granted tax exemption on the specified income in respect of any designated investment for the life of the Fund. The tax exemption does not apply in the year when the relevant conditions are not met. The terms “specified income” and “designated investments” are defined in the relevant Income Tax legislations and MAS Circulars.

	2019 \$	2018 \$
Foreign income tax	3,253,869	2,815,757
Capital gains tax	2,342,146	418,432
	<u>5,596,015</u>	<u>3,234,189</u>

The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***4. Distributions**

The Fund distributed a total of \$63,995,579 (2018: \$55,977,300) to unitholders on the register during the year as disclosed below.

2019**S\$ Class**

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
29 Mar 2019	16 Apr 2019	2.1540	8,467,847
28 Jun 2019	16 Jul 2019	2.0982	8,439,037
30 Sep 2019	16 Oct 2019	2.0196	8,112,103
31 Dec 2019	17 Jan 2020	8.0938	32,311,199
			57,330,186

US\$ Class

Record date	Payment date	Distribution rate US\$ per 100 units	Distribution amount US\$	Distribution amount \$
29 Mar 2019	16 Apr 2019	2.2074	784,278	1,062,186
28 Jun 2019	16 Jul 2019	2.1528	754,325	1,022,073
30 Sep 2019	16 Oct 2019	2.0268	703,274	974,949
31 Dec 2019	17 Jan 2020	8.3622	2,677,893	3,606,185
			4,919,770	6,665,393

2018**S\$ Class**

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
29 Mar 2018	17 Apr 2018	2.2296	7,348,091
29 Jun 2018	17 Jul 2018	2.2410	7,877,719
28 Sep 2018	16 Oct 2018	2.1288	7,851,257
31 Dec 2018	17 Jan 2019	6.9982	26,885,039
			49,962,106

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***4. Distributions (continued)****US\$ Class**

Record date	Payment date	Distribution rate US\$ per 100 units	Distribution amount US\$	Distribution amount \$
29 Mar 2018	17 Apr 2018	2.3604	627,959	823,380
29 Jun 2018	17 Jul 2018	2.2818	707,862	970,407
28 Sep 2018	16 Oct 2018	2.1630	705,081	966,737
31 Dec 2018	17 Jan 2019	7.1258	2,384,024	3,254,670
			4,424,926	6,015,194

5. Receivables

	2019 \$	2018 \$
Amount receivable for creation of units	5,424,239	10,307,381
Dividend receivable	934,279	229,104
Interest receivable	14	-
Refund of GST	-	479,903
Other	68	58
	6,358,600	11,016,446

6. Financial derivatives

Financial derivative contracts comprise spot foreign exchange contracts due for settlement or contractual re-pricing within 3 months from the reporting date. There were no outstanding financial derivative contracts as at 31 December 2019. The contracted or underlying principal amounts of these financial derivatives and their corresponding gross fair values at 31 December 2018 are analysed below.

	Notional amount \$	Fair value liabilities \$
<u>2018</u>		
Contracts:		
Spot foreign exchange	71,529	853

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***7. Payables**

	2019 \$	2018 \$
Amount payable for cancellation of units	10,712,002	2,292,607
Amount payable for dividend distribution	35,917,384	30,139,709
Accrued management fees	1,541,533	1,328,344
Accrued trustee fees	42,410	36,725
Accrued valuation fees	31,925	27,137
Capital gains tax provision	2,786,441	459,390
Other accrued expenses	802,989	151,061
	51,834,684	34,434,973

8. Units in issue

S\$ Class	2019 Units	2018 Units
At the beginning of the financial year	384,170,765	286,959,304
Created	103,462,277	163,282,900
Cancelled	(88,423,788)	(66,071,439)
At the end of the financial year	399,209,254	384,170,765
	\$	\$

Net assets attributable to unitholders	1,436,405,443	1,195,034,801
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Net assets attributable to unitholders per unit	3.60	3.11
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US\$ Class	2019 Units	2018 Units
At the beginning of the financial year	33,456,232	15,090,905
Created	9,655,433	27,037,705
Cancelled	(11,087,876)	(8,672,378)
At the end of the financial year	32,023,789	33,456,232
	US\$	US\$

Net assets attributable to unitholders	119,028,377	105,987,875
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Net assets attributable to unitholders per unit	3.72	3.17
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SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***8. Units in issue (continued)**

The Fund currently offers 2 Classes of units, namely S\$ Class units and US\$ Class units. Both Classes of units constitute the Fund and have different features. The key difference between the Classes is the currency of denomination applicable to each Class. The US\$ Class is structured such that all or substantially all its assets are invested into the S\$ Class, and is subject to foreign exchange risk against the Fund's functional currency.

Net assets attributable to unitholders ("NAV") is apportioned between both Classes of units based on the proportion of NAV of each Class, which is determined by computing the equivalent number of units of S\$ Class and US\$ Class units in issue. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to the net assets attributable to that Class.

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end date is presented below:

S\$ Class	2019 \$	2018 \$
Net assets attributable to unitholders per unit per the financial statements	3.60	3.11
Effect of distribution per unit	0.08	0.07
Net assets attributable to unitholders per unit for issuing/redeeming of units	3.68	3.18
US\$ Class	2019 US\$	2018 US\$
Net assets attributable to unitholders per unit per the financial statements	3.72	3.17
Effect of distribution per unit	0.08	0.07
Net assets attributable to unitholders per unit for issuing/redeeming of units	3.80	3.24

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

9. Financial risk management

The Fund's activities expose it to a variety of risks including but not limited to market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk.

The overall responsibility for the management of the Fund's financial risks lies with the Manager whom, among other things, will regularly assess the economic condition, monitor changes in market outlook and take appropriate measures accordingly to manage the Fund's exposure to these risks. The Manager may from time to time employ derivatives including but not limited to options, futures and currency forwards, subject to the terms of the Trust Deed, for the purpose of efficient portfolio management.

The data used and assumptions made in the sensitivity analyses below may not reflect actual market conditions, nor is it representative of any potential future market conditions. The sensitivity analyses can be complex and the disclosures made here are not exhaustive. The market exposures change regularly and the assumptions made below may not be representative of the risk taken throughout the year. The sensitivity analyses below should not be solely relied upon by investors in their investment decision making.

(a) Market risk

Market risk is the risk of potential adverse changes to the value of financial instruments because of changes in market conditions such as interest rate and currency rate movements and volatility in security prices.

The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager conducts detailed analysis before making investment decisions, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Fund. The Manager may also select other financial instruments within the investment guidelines as set out in the Fund's Trust Deed. Guidelines are set to reduce the Fund's risk exposure to market volatility through diversifying the portfolio by investing across various geographies and industry sectors.

The benchmark which the performance of the Fund is measured against is the MSCI All Country Asia ex Japan Index (Net Dividend Reinvested).

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***9. Financial risk management (continued)****(a) Market risk (continued)**

At reporting date, the Fund's assets principally consist of quoted equities and bank balances. The Fund's exposure to market risk are discussed below:

(i) Price risk

The table below summarises the potential impact of increases/decreases in the value of the Fund's investments in equities on the Fund's net assets attributable to unitholders at reporting date. The analysis is based on the assumption that the benchmark increases/decreases by a reasonable possible shift with all other variables held constant, and that the fair value of the Fund's investments moves according to their historical correlation with the benchmark. This represents management's best estimate of a reasonable possible shift in the benchmark, having regard to the historical movement of the benchmark.

Reasonable possible change %	2019 Impact on net assets attributable to unitholders \$	Reasonable possible change %	2018 Impact on net assets attributable to unitholders \$
8	131,717,601	6	86,414,356

The disclosure above is shown in absolute terms, changes and impacts could be positive or negative.

(ii) Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing; as a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. No interest rate sensitivity analysis is presented.

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

9. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk

The Fund may hold monetary and non-monetary assets and liabilities denominated in currencies other than Singapore dollars. Consequently, the Fund may be exposed to currency risk since the value of these assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Manager may manage the currency risks by hedging some or all of the currency risk exposure through derivatives such as forward currency contracts, currency futures, currency swap agreements or currency options.

The table below summarises the Fund's exposure to foreign currencies from its monetary and non-monetary assets and liabilities:

	As at 31 December 2019						
	HKD	KRW	SGD	TWD	USD	Others*	Total
	\$	\$	\$	\$	\$	\$	\$
Assets							
Portfolio of investments	603,311,928	184,652,100	36,244,914	165,475,733	264,991,496	374,014,304	1,628,690,475
Bank balances	1,208	52	11,365,362	-	1,874,480	1,457	13,242,559
Receivables	-	-	4,974,460	809,126	449,862	125,152	6,358,600
Total assets	603,313,136	184,652,152	52,584,736	166,284,859	267,315,838	374,140,913	1,648,291,634
Liabilities							
Payables	-	-	44,385,203	-	4,663,040	2,786,441	51,834,684
Total liabilities	-	-	44,385,203	-	4,663,040	2,786,441	51,834,684
Currency exposure	603,313,136	184,652,152	8,199,533	166,284,859	262,652,798	371,354,472	

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***9. Financial risk management (continued)****(a) Market risk (continued)****(iii) Currency risk (continued)**

	As at 31 December 2018						
	HKD	KRW	SGD	TWD	USD	Others*	Total
	\$	\$	\$	\$	\$	\$	\$
Assets							
Portfolio of investments	479,012,923	170,466,235	43,661,396	130,928,692	195,675,009	316,188,252	1,335,932,507
Bank balances	468,200	60	26,221,152	-	189,646	1,224	26,880,282
Sales awaiting settlement	6,474	-	-	-	-	91,285	97,759
Receivables	2	-	10,608,877	-	407,567	-	11,016,446
Total assets	479,487,599	170,466,295	80,491,425	130,928,692	196,272,222	316,280,761	1,373,926,994
Liabilities							
Payables	-	-	30,215,362	-	3,760,221	459,390	34,434,973
Total liabilities	-	-	30,215,362	-	3,760,221	459,390	34,434,973
Net financial assets							
	479,487,599	170,466,295	50,276,063	130,928,692	192,512,001	315,821,371	1,339,492,021
Currency spot	-	-	71,529	-	-	(71,529)	
Currency exposure	479,487,599	170,466,295	50,347,592	130,928,692	192,512,001	315,749,842	

* Foreign currencies to which the Fund does not have a significant exposure are included within 'Others'.

Portfolio of investments, which is the most significant item on the Statement of Portfolio, is exposed to currency risk and price risk. The price risk sensitivity analysis in note 9(a)(i) includes the impact of currency risk on portfolio of investments.

The Fund's net financial assets comprise mainly portfolio of investments which are non-monetary financial assets, hence a separate currency risk sensitivity analysis has not been performed on the remaining financial assets.

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

9. Financial risk management (continued)

(b) Liquidity risk

The Fund's liquidity risk arises mainly from redemptions of units. The Fund invests the majority of its assets in investments that are traded in active markets and/or in investments where the issuer stands ready to unwind. Investments in unquoted shares (excluding IPO shares which have been approved for listing) are allowed within the 5% deviation limit.

The Fund has the ability to borrow in the short-term for the purposes of meeting redemptions and short-term bridging requirements. Dedicated personnel are responsible for monitoring the Fund's liquidity position on a daily basis to ensure that sufficient cash resources and liquid assets are available to meet liabilities as and when they fall due.

Units are redeemable at the holder's option. However, the Manager also has the option to limit redemption requests to 10% of the total number of units then in issue on each dealing day, with the approval of the Trustee.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying values as the impact of discounting is not significant.

	2019 Less than 3 months \$	2018 Less than 3 months \$
Payables	51,834,684	34,434,973
Financial derivatives	-	853

All financial derivatives are disclosed above based on fair value as at the reporting date. Spot foreign exchange contracts are settled based on contractual notional amounts on settlement date. The notional amounts of all financial derivatives are disclosed in note 6.

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

9. Financial risk management (continued)

(c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as issuers, brokers, custodians and banks.

Impairment allowances are made for losses that have been incurred by the reporting date, if any. The Manager has in place procedures for proper credit screening and monitoring of credit risk, including the use of approved counterparties with credit limits set and subject to specified financial strength criteria. Exposure against all counterparties is then monitored on a daily basis.

All transactions in quoted securities are settled/paid upon delivery using approved brokers. The risk of default is deemed to be low, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund's exposure to credit risk arises mainly from its bank balances and assets held with custodians and counterparties. The table below summarises the credit rating of banks, custodians and counterparties with whom the Fund's assets are held as at reporting date.

As at 31 December 2019	Credit rating	Source of credit rating
<u>Bank & Custodian</u>		
The Hongkong and Shanghai Banking Corp Ltd	a1	Moody's
<u>Counterparty</u>		
Citibank NA	baa1	Moody's
Deutsche Bank AG	ba1	Moody's
Thai NVDR Co Ltd	Not Rated	

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

9. Financial risk management (continued)

(c) Credit risk (continued)

As at 31 December 2018	Credit rating	Source of credit rating
<u>Bank & Custodian</u>		
The Hongkong and Shanghai Banking Corp Ltd	a1	Moody's
<u>Counterparty</u>		
Citibank NA	baa2	Moody's
Deutsche Bank AG	ba1	Moody's
Thai NVDR Co Ltd	Not Rated	
The Hongkong and Shanghai Banking Corp Ltd	a1	Moody's

The credit ratings shown are the Baseline Credit Assessment ratings as published by Moody's, unless otherwise specified.

As at reporting date, the Fund holds depository receipts or shares issued by credit-rated and non credit-rated counterparties, the values of which are referenced to underlying quoted securities. The market value of these depository receipts is disclosed in the Statement of Portfolio.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(d) Fair value estimation

The fair value of financial instruments is based on quoted market prices as at the reporting date. The quoted market price used for equities is the last traded market price and the quoted market price used for other financial assets is the current bid price; the appropriate quoted market price used for financial liabilities is the current asking price.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***9. Financial risk management (continued)****(d) Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Fund's financial instruments measured at fair value at reporting date:

	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets at fair value through profit or loss				
Equities	1,628,690,475	-	-	1,628,690,475
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Assets				
Financial assets at fair value through profit or loss				
Equities	1,329,655,574	6,276,933	-	1,335,932,507
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial derivatives	-	853	-	853

Investments in listed equities whose values are based on quoted market prices in active markets are classified within level 1. The quoted price for these financial instruments is not adjusted.

Financial instruments that trade in markets not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include equities pending listing and over-the-counter derivatives.

There are no financial instruments classified within level 3.

Except for bank balances which are classified as level 1, the Fund's assets and liabilities not measured at fair value at reporting date have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the reporting date.

SCHRODER ASIAN GROWTH FUND

Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2019

9. Financial risk management (continued)

(e) Offsetting financial assets and financial liabilities

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.

There is no financial assets and liabilities subject to offsetting as at 31 December 2019.

The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

2018	Gross amounts of recognised financial liabilities \$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position \$	Net amounts of financial liabilities presented in the Statement of Financial Position \$	Related amounts not set-off in the Statement of Financial Position		
				Financial instruments \$	Cash collateral \$	Net amount \$
Contracts:						
Spot foreign exchange	853	-	853	-	-	853

(f) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

10. Related party disclosure

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Trustee is HSBC Institutional Trust Services (Singapore) Limited. With effect from 1 July 2019, HSBC France, Luxembourg Branch replaces Schroder Investment Management (Europe) SA, as the Registrar of the Fund. Both Trustee and Registrar are subsidiaries of the HSBC Group. The management fees paid to the Manager and registration fees paid to the Registrar; trustee fees, valuation fees and custodian fees charged by, and interest earned on deposits with, the HSBC Group are shown in the Statement of Total Return.

As at reporting date, the Fund maintained with the HSBC Group, the following bank balances:

	2019 \$	2018 \$
Current accounts	13,242,559	26,880,282

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2019***11. Financial ratios**

	2019	2018
Expense ratio ¹	1.34%	1.35%
Turnover ratio ²	16.44%	12.92%

- ¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio was based on total operating expenses divided by the average net asset value for the year. The total operating expenses do not include brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. The Fund does not pay any performance fee. The respective values used in the calculation of the expense ratio are disclosed below. The average net asset value is based on the daily balances.

Expense ratio calculations	2019	2018
	\$	\$
Total operating expenses	20,509,118	18,874,814
Average net asset value	1,535,930,762	1,399,919,210

- ² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower value of purchases or sales of the underlying investments divided by the average daily net asset value.

Turnover ratio calculations	2019	2018
	\$	\$
Lower of purchases or sales	252,502,793 (sales)	180,842,209 (sales)
Average net asset value	1,535,930,762	1,399,919,210

REPORT TO UNITHOLDERS

31 December 2019

The following is a report on the Schroder Asian Growth Fund (the "Fund"):

1. Top 10 holdings of the Fund as at 31 December 2019:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Taiwan Semiconductor Manufacturing Co Ltd	135,605,478	8.50
Samsung Electronics Co Ltd	121,039,396	7.59
Tencent Hldg Ltd	98,640,355	6.19
Alibaba Group Hldg Ltd ADR	95,185,874	5.97
AIA Group Ltd	70,469,200	4.42
HDFC Bank Ltd	60,554,641	3.80
ICICI Bank Ltd	49,438,231	3.10
Techtronic Ind Co Ltd	48,079,236	3.02
China Pacific Insurance Group Co Ltd H Shares	38,827,793	2.43
New Oriental Education & Technology Group Inc ADR	38,231,786	2.39

Top 10 holdings of the Fund as at 31 December 2018:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Taiwan Semiconductor Manufacturing Co Ltd	91,329,074	6.82
Samsung Electronics Co Ltd	86,923,313	6.49
Tencent Hldg Ltd	78,185,626	5.83
Alibaba Group Hldg Ltd ADR	64,818,676	4.83
AIA Group Ltd	56,488,243	4.22
HDFC Bank Ltd	49,503,307	3.70
Techtronic Ind Co Ltd	34,102,966	2.55
China Pacific Insurance Group Co Ltd H Shares	32,343,049	2.41
ICICI Bank Ltd	31,326,610	2.34
Oversea-Chinese Banking Corp Ltd	30,988,421	2.31

The Fund was not invested in other unit trusts, mutual funds or collective investment schemes as at 31 December 2019. For the full composition of investments of the Fund as at 31 December 2019, refer to the Statement of Portfolio on pages 11 to 15.

REPORT TO UNITHOLDERS

31 December 2019

2. The Fund did not have any exposure to financial derivatives as at 31 December 2019.
3. The Fund did not have any borrowings as at 31 December 2019.
4. The amount of subscriptions and redemptions in the period 1 January 2019 to 31 December 2019 were as follows:

	\$
Subscriptions	403,066,858
Redemptions	361,019,671

5. Expense Ratio

1 January 2019 to 31 December 2019	1.34%
1 January 2018 to 31 December 2018	1.35%

6. Turnover of Portfolio

1 January 2019 to 31 December 2019	16.44%
1 January 2018 to 31 December 2018	12.92%

7. Soft dollar commissions/arrangements:

In the management of the Fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

The Manager may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Manager in their management of the Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Manager shall not receive goods and services such as travel, accommodation and entertainment.

8. For related party transactions, refer to note 10 in the Notes to the Financial Statements.

REPORT TO UNITHOLDERS

31 December 2019

9. Performance of Fund for periods ended 31 December 2019

	3 mths	6 mths	1 yr	3 yrs*	5 yrs*	10 yrs*	Since Launch**
S\$ Class	10.0%	6.5%	20.4%	13.7%	10.0%	9.2%	9.0%
Benchmark**	8.7%	6.1%	16.6%	10.1%	6.9%	5.9%	6.2%
US\$ Class	13.2%	7.2%	22.2%	16.5%	9.7%	9.7%	11.1%
Benchmark**	11.8%	6.7%	18.2%	12.8%	6.6%	6.3%	9.1%

* Returns of more than 1 year are annualised

Since launch figures from 8 May 1991 (S\$ Class) and 30 April 2004 (US\$ Class)

** Benchmark: The benchmark of the Fund has been changed from the MSCI AC Far East ex Japan Index (Gross Dividend Reinvested) to the MSCI AC Far East ex Japan Index (Net Dividend Reinvested) with effect from 1 March 2013. On 1 March 2016, the MSCI AC Asia ex Japan Index (Net Dividend Reinvested) replaced the MSCI AC Far East ex Japan Index (Net Dividend Reinvested).

Source: Schroders, class currency, bid to bid, net income reinvested.

