Schroder AsiaPacific Fund plc

Annual Report and Financial Statements
For the year ended 30 September 2024

Schroders

Capturing Asia's future growth...

Delivering the experience, talent and local knowledge to perform in Asia.

Schroder AsiaPacific Fund plc's investment team is supported by more than 40 analysts networked across the region, conducting more than 2,600 company contacts each year.

Providing a firm foundation for your Asian portfolio.

Schroder AsiaPacific Fund plc is one of the very largest investment trusts invested in the region, with £900M+ of assets diversified throughout its markets and sectors.

Looking beyond short-term trends for long-term returns.

By seeking out businesses steadily building market leadership – from young innovators to brands that are already global names – Schroder AsiaPacific Fund plc is focused on buying great Asian companies at the right price.

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The investment objective of the Company is set out on page 35. For details on the Company's investment policy please see the KID. This report includes the investment policy which you should read in conjunction with the KID before investing; these are also available on Schroders' website.

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 investments to fall as well as rise. Performance data does not take into account any commissions and costs, if any, charged when units or shares of any fund, as applicable, are issued and redeemed. Relevant risks as associated with this Company are shown on page 96 and should be carefully considered before making any investment.

Contents

This is not a sustainable product for the purposes of the FCA rules. References to the consideration of sustainability factors and ESG integration should not be construed as a representation that the Company seeks to achieve any particular sustainability outcome.

The front cover shows the view across the city of Taipei towards Yangming mountain at sunset. Taiwan was the portfolio’s largest country weighting and the strongest contributor to performance at the year end.

Victoria Harbour, Hong Kong.

Section 1: Overview

Legazpi City and Mount Mayon, Albay province, Philippines.

Performance Summary

At 30 September 2024

Net Asset Value (NAV) per share total return[1]	Share price total return[1]	Benchmark total return[2]
+16.5%	+15.6%	+17.3%
Year ended 2023: +2.9%	Year ended 2023: +2.3%	Year ended 2023: +1.5%

Share price[4]	Share price discount to NAV per share[1,4]	Revenue return per share[3]
549.0p	12.4%	12.79p
Year ended 2023: 486.5p	Year ended 2023: 11.5%	Year ended 2023: 12.06p

Net revenue return after taxation[3]	Gearing[1,3]	Ongoing charges ratio[1,3]
£19.32m	2.6%	0.88%
Year ended 2023: £18.99m	Year ended 2023: 2.1%	Year ended 2023: 0.86%

[1] Alternative Performance Measure, as defined by the European Securities and Markets Authority. Definitions of these performance measures, and other terms used in this Report, are given on pages 92 and 93 together with supporting calculations where appropriate.
[2] Source: Thomson Reuters.
[3] Source: Schroders.
[4] Source: Morningstar/Thomson Reuters.

Chairman's Statement

James Williams
Chairman

Performance

For the year ended 30 September 2024, the Company generated a NAV total return of 16.5%, slightly behind the benchmark, which produced a total return of 17.3% over the same period. The share price produced a total return of 15.6% over the year. This builds on the Company's commendable long term record of NAV total return outperformance of the benchmark which sits at an annualised 2.2% over ten years.

Performance during the year was strong in absolute terms and Asian markets performed well, although lagging behind global markets. Taiwan, with its information technology focus, and India produced the strongest returns for the year.

More detailed comment on performance and investment policy may be found in the Portfolio Managers' Review.

Revenue and dividend

The Company's principal investment objective is to achieve capital growth, and the Directors continue to distribute substantially all the revenue received each year. This year the Company's revenue return increased to 12.79 pence per share (2023: 12.06p).

The Directors are recommending a final dividend of 12.50 pence per share for the year ended 30 September 2024, representing an increase of 4.2% over the amount paid in respect of the previous financial year. This dividend will be paid on 7 February 2025 to shareholders on the register on 27 December 2024, subject to approval by shareholders at the Annual General Meeting (AGM) on 29 January 2025.

Gearing

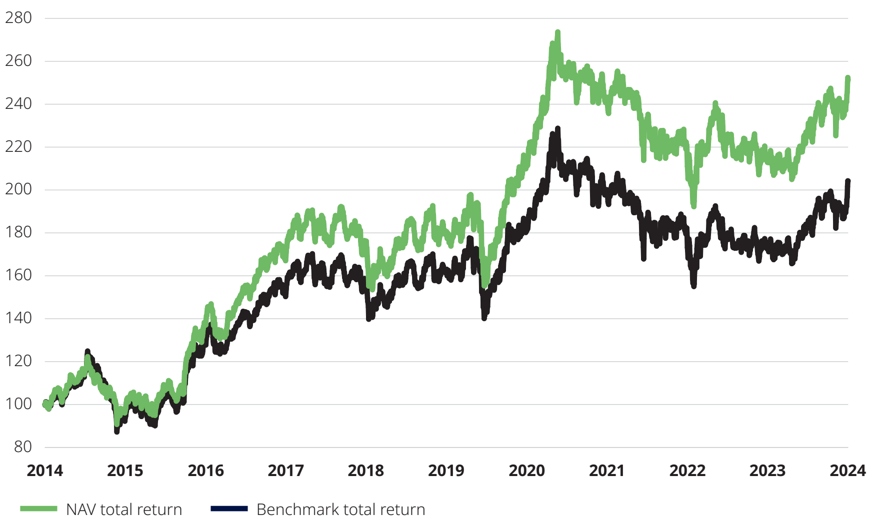
During the year, the Company amended and renewed its £75 million one-year multicurrency revolving credit facility with The Bank of Nova Scotia, London Branch, on a secured basis. At 30 September 2024, the Company's net gearing position was 2.6% taking into account cash balances, compared to 2.1% at 30 September 2023.

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

Discount management

The Company continued to be active in buying back its shares during the year. A total of 8,209,500 shares were bought back for cancellation at a cost of £41.5 million (2023: 6,000,000 shares were bought back and cancelled at a cost of

10-year NAV performance vs benchmark



Source: Morningstar as at 30 September 2024. Rebased to 100 at 30 September 2014. The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted.

£29.8 million), adding 0.6% to the NAV. Since the year end, a further 3,375,000 shares have been bought back for cancellation at a cost of £18.4 million.

The discount at the end of September 2024 was 12.4% compared to 11.5% at the previous financial year end. The average discount during the year under review was 11.6%.

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

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

Board succession

Following the retirement of Keith Craig at the last AGM in January 2024, the Board was pleased to announce the appointment of Vivien Gould to succeed Keith as Chair of the Nomination Committee.

I have now served on the Board for just over ten years and, at the time of my appointment as Chairman in 2021, it was announced that I would serve a maximum of five years in the role. Therefore, it is my intention to retire following the AGM in 2026. As part of its succession planning the Board will carefully consider my successor.

Board succession has been considered carefully during the year to ensure that we effectively plan for Board changes in the coming years. Consequently, in accordance with the Board's succession planning the Board, through its Nomination Committee, is undertaking a search process to identify a new non-executive Director using a third-party recruitment firm.

Board performance evaluation

The Company undertook an externally facilitated, Board performance evaluation during the year under review. The evaluation was conducted by an independent third party, Lintstock. A separate evaluation of my performance as Chairman was also carried out and the results considered by the Senior Independent Director.

The Board has discussed the findings and recommendations of the performance evaluation, and the overall conclusion was very positive in respect of the effectiveness of the Board, its composition, the skills, expertise and commitment of the individual Directors.

Further information on the evaluation of the Board can be found in the Nomination Committee Report on page 57. Details of the Directors experience and background are provided in their biographies on pages 48 and 49.

Webinar

On Thursday, 16 January 2025, the Company's Portfolio Managers will be presenting to shareholders at a webinar at 2.00 pm on the results for the year and prospects for Asian markets. To register your interest to attend this webinar please visit www.schroders.events/SDP24, where the facility to watch the recorded webinar afterwards will also be available.

AGM

The AGM will be held on Wednesday, 29 January 2025 at 12.00 noon at the offices of Schroders at 1 London Wall Place, London EC2Y 5AU. A presentation from our Portfolio Managers will be given at the AGM, and attendees will also be able to ask questions in person and meet the Directors. Details of the formal business of the meeting are set out in the Notice of Meeting on page 89 of this Annual Report.

All shareholders are recommended to vote by proxy in advance of the AGM and to appoint the Chairman of the meeting as

Your Board remains focused on managing discount volatility and helping to provide liquidity in the Company's shares.

Asia Pacific remains an engine of global growth, with robust domestic consumption, technological innovation, and an increasingly affluent population. We believe that the Company is well-positioned to capitalise on the region's growth opportunities, while managing risks carefully.

their proxy. This will ensure that shareholders' votes will be counted even if they (or any appointed proxy) are not able to attend.

If shareholders have any questions for the Board, please write, or email using the details below. The questions and answers will be published on the Company's web pages before the AGM. To email, please use: amcompanysecretary@schroders.com or write to us at the Company's registered office address: Company Secretary, Schroder AsiaPacific Fund plc, 1 London Wall Place, London, EC2Y 5AU.

Shareholder communication and engagement

The Board understands the significance of having regular access to information for our shareholders. In addition to our Company web pages, we provide shareholders with the opportunity to subscribe to Company email updates. These emails feature updates about the Company, along with news, opinion pieces, and market insights. Details on how to subscribe can be found on the inside front cover of this report.

In advance of the AGM, on 29 January 2025, I will again take the opportunity to engage with shareholders who hold their shares through a retail platform, as permitted by section 793 of the Companies Act 2006. The Board encourages all shareholders to either attend the AGM or exercise their voting rights by proxy. The Board acknowledges that certain execution-only investment platforms are now enabling shareholders to vote electronically. We encourage shareholders to utilise this feature when it is available.

The Board is committed to exercising the highest standard of corporate governance and accordingly, regularly considers the views of its shareholders, offering to meet with major shareholders annually. We also seek to engage with all shareholders where possible and should you wish to contact me, you can do so via the Company Secretary whose details are set out on page 95.

Outlook

As we look to the future, it is impossible to ignore the evolving geopolitical landscape and its potential impact on investing in the Asia Pacific region. China, the world's second-largest economy, remains central to the region's growth story, yet it also presents unique challenges. There has been recent positive momentum in the Chinese markets and for this to be maintained the government's ongoing stimulus measures will need to be allocated effectively to address underlying consumer malaise and demand-side challenges to have a lasting impact. Rising tensions between China and the United States, particularly around technology, trade, and Taiwan, continue to generate uncertainty. The ongoing situation surrounding Taiwan is of particular concern, given its geopolitical significance and its critical role in global semiconductor supply chains. Any escalation in tensions could have far-reaching consequences, not only for the region but for the global economy.

In addition, the re-election of President Trump adds another layer of complexity to the investment environment. Shifts in US foreign and trade policy, particularly in relation to China, may influence market sentiment and the regulatory framework in which companies operate.

On the positive side, several regional elections over the past year in Taiwan, Korea, Indonesia and India have been relatively smooth, which may help alleviate some immediate political risks and foster a more stable environment. Additionally, if the USA can avoid a hard landing and, despite recent commentary, a decline in US rates leads to a weaker dollar this could lead to a reversal of recent trends such as the relative underperformance of growth stocks and the weakness in the Hong Kong market.

As these developments unfold, the Board and our Portfolio Managers remain vigilant in monitoring the potential impacts on our portfolio.

While uncertainties remain significant, we believe they are balanced by the region's long-term structural growth drivers. Asia Pacific remains an engine of global growth, with robust domestic consumption, technological innovation, and an increasingly affluent population. Our focus remains on identifying high-quality companies that can navigate this evolving landscape, while positioning the portfolio to manage risk through prudent diversification and active engagement with companies.

In closing, I would like to express my sincere gratitude to our shareholders for their continued support. Despite the geopolitical headwinds, we believe that the Company is well-positioned to capitalise on the region's growth opportunities, while managing risks carefully. The Board remains committed to delivering sustainable, long-term value, and I look forward to the coming year with cautious optimism.

James Williams
Chairman

2 December 2024

Ten-Year Financial Record

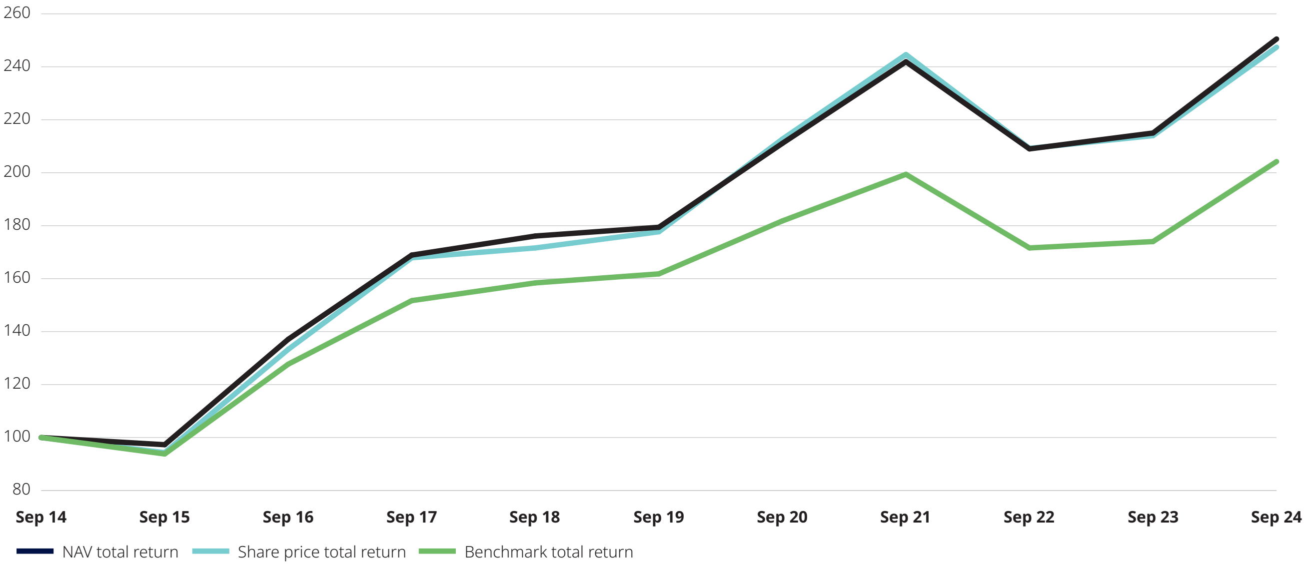
At 30 September	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Shareholders' funds (£m)	477.87	658.32	799.94	825.04	822.18	946.15	1,057.94	878.19	851.28	919.16
NAV per share, diluted where applicable (p)	282.39	392.33	477.38	492.35	490.94	567.16	641.72	546.13	549.92	627.02
Share price (pence)	246.50	343.00	426.00	430.00	435.00	510.00	579.00	487.00	486.50	549.00
Share price discount to NAV per share[1] (%)	12.7	12.6	10.8	12.7	11.4	10.1	9.8	10.8	11.5	12.4
Gearing/(net cash)[1] (%)	2.3	0.4	4.4	2.6	(2.4)	0.2	0.6	0.2	2.1	2.6

For the year ended 30 September	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net revenue return after taxation (£'000)[2]	7,151	8,040	9,537	16,885	16,590	13,253	16,080	19,673	18,990	19,315
Revenue return per share (pence)[2]	4.23	4.77	5.69	10.08	9.9	7.92	9.66	12.04	12.06	12.79
Dividends per share (pence)[2]	4.2	4.75	5.60	9.50	9.70	8.00	9.70	12.00	12.00	12.50
Ongoing charges[1] (%)	1.03	1.10	0.99	0.94	0.93	0.90	0.86	0.84	0.86	0.88

Performance[3]	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
NAV total return (diluted where applicable)[1]	100.0	97.3	137.1	168.9	176.1	179.4	211.1	241.9	209.0	215.0	250.5
Share price total return[1]	100.0	94.3	133.3	167.9	171.6	177.7	212.7	244.6	209.2	214.0	247.4
Benchmark	100.0	93.8	127.7	151.7	158.4	161.8	181.8	199.4	171.6	174.0	204.2

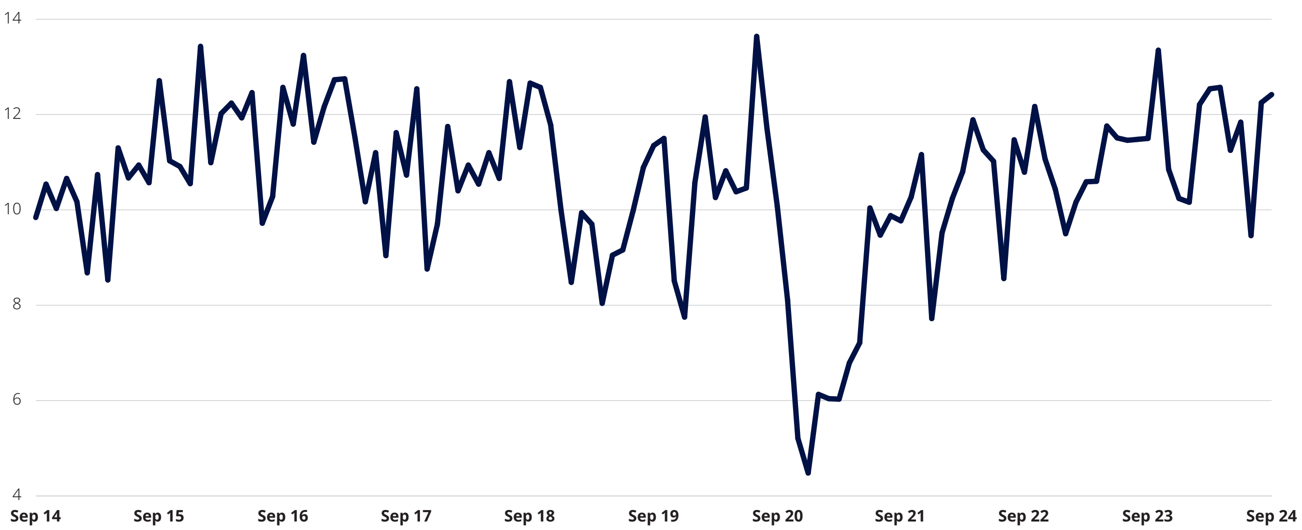
[1] Alternative Performance Measures.
[2] With effect from 1 October 2017, the Company adopted an allocation policy whereby 75% of indirect cost are allocated to the capital account.
[3] Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2014.

NAV per share, share price and benchmark total return for the ten years ended 30 September 2024



Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2014.
The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted.

Ten year share price discount to NAV per share[1]



[1] Alternative Performance Measure.
Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2014.

Central Business District,
Shenzhen, China.

Section 2: Investment Manager's Review

Portfolio Managers' Report

Abbas Barkhordar

Richard Sennitt

The NAV per share of the Company recorded a total return of 16.5% over the 12 months to end September 2024. This was behind the performance of the benchmark, the MSCI All Country Asia ex Japan Index, which rose by 17.3% over the same period.

Source: Schroders, Morningstar, in GBP, Cum-income fair NAV.

The strongest major sector in Asia over the period was Information Technology (IT). Here, stocks benefitted from optimism over the increasing adoption of Artificial Intelligence (AI); the knock-on demand for technology products being sold by the likes of NVIDIA; and a recovery in the supply-demand cycle across the wider sector.

From a cyclical perspective, the excess inventory which had built up in the post-Covid period and which had been a major overhang on IT stocks (as well as other exporters of manufactured goods) throughout much of the last two years, finally fell to more typical levels as companies have cut prices and production to clear inventories.

In addition to the more positive view on the inventory outlook, continued strong demand for AI chips has driven additional gains in Asian technology stocks with any exposure to that theme. This particularly helped Taiwan, the Asian market most exposed to the advanced semiconductor sector. A single Taiwanese company, **Taiwan Semiconductor Manufacturing Corporation** (**TSMC**), manufactures all of NVIDIA's cutting-edge AI chips.

It is, of course, still very early days when it comes to the adoption of AI applications, so it remains uncertain to what extent the vast investment being made in AI by leading technology companies can be monetised. But, for now, their demand for these highly complex products continues unabated, benefitting the Asia companies which are at the heart of the global manufacturing supply chain for advanced logic and memory semiconductors.

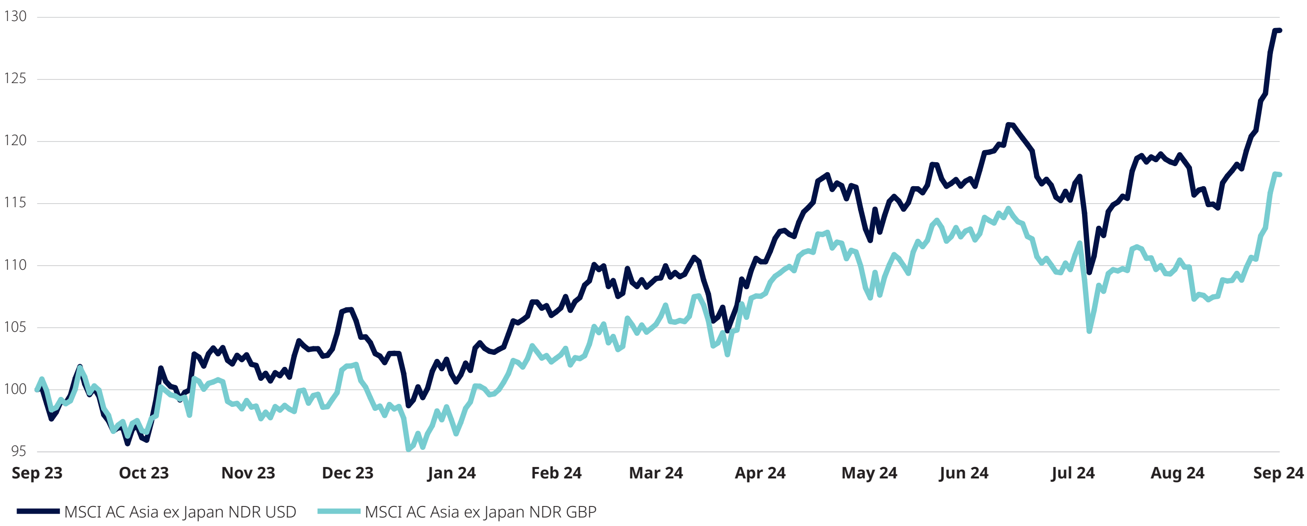
After Taiwan, India was the best performing market over the period.

India has been a beneficiary of domestic investor flows into the stock market, a trend which has particularly benefitted the small and mid-cap segments of the market. These have markedly outperformed (and now trade at a significant premium to) large caps.

While these inflows reflect, in part, the confidence around the growth outlook for the economy over the medium-term, some areas of the market now look very stretched, in our view. The positive performance of the Indian stock market has, in recent periods, been driven more by an increase in price-to-earnings multiples than by growth in company earnings themselves, suggesting that share prices are now reflecting very optimistic assumptions about future growth and profitability. This has been accompanied by a pickup in equity issuance and placements by companies using the favourable conditions to sell stock.

Performance of the MSCI AC Asia ex Japan net dividends reinvested (NDR) Index in USD and GBP

30 September 2023 to 30 September 2024



Source: Thomson Datastream as at 30 September 2024.

The strongest major sector in Asia over the period was Information Technology, where stocks benefitted from optimism over the increasing adoption of Artificial Intelligence.

In Singapore, the market saw broad-based strength with the financials sector doing well as banks benefitted from expectations of a more moderate pace of US interest rate cuts as the year progressed. Conversely, this "higher for longer" scenario was somewhat of a headwind for the smaller Association of Southeast Asian Nations (ASEAN) markets such as Indonesia, Philippines and Thailand, which have historically tended to perform better during periods of easier US dollar liquidity.

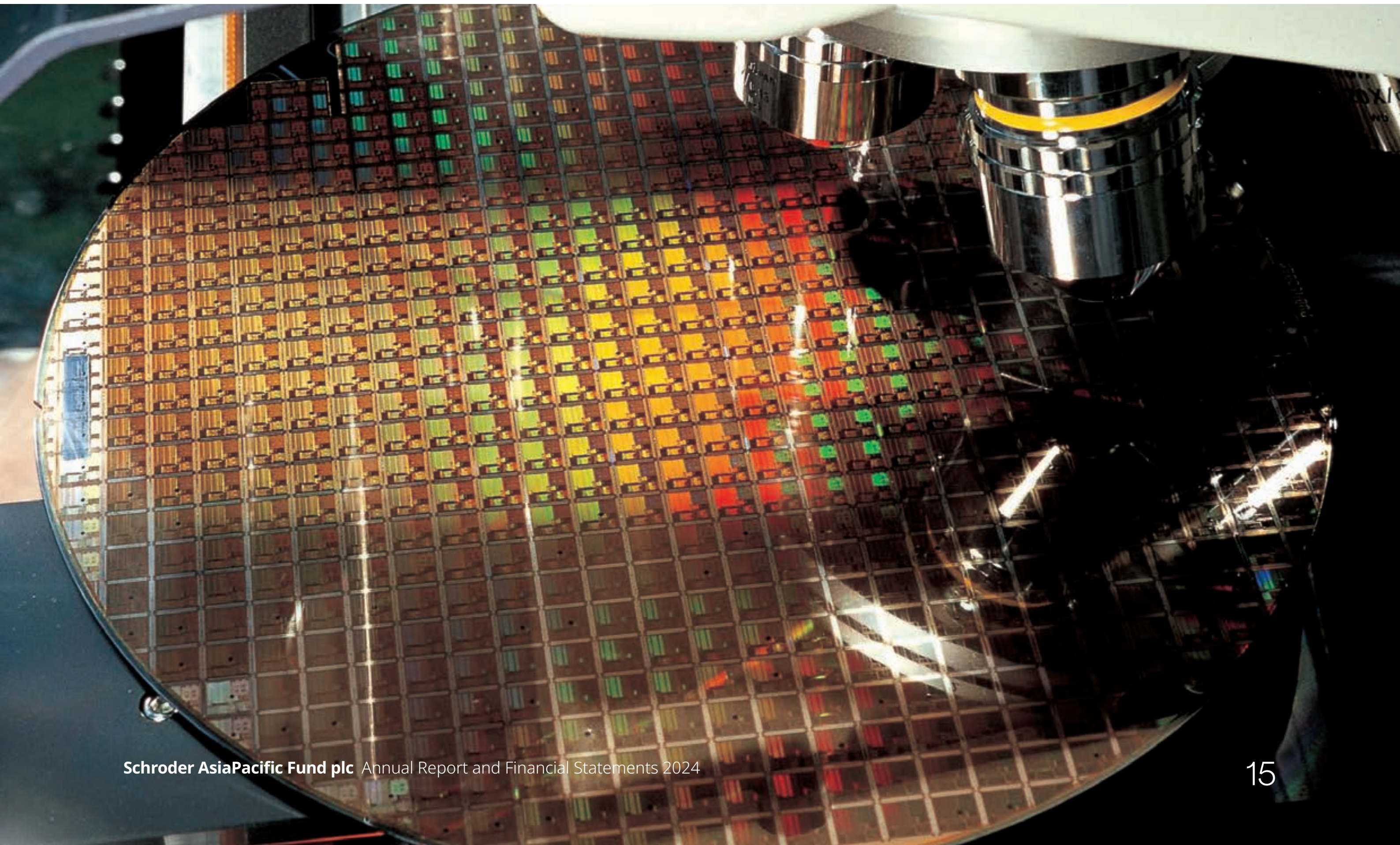
Korea was another relative laggard over the year. The market was initially supported by investor optimism around a programme of corporate governance reforms proposed by the government, modelled on the high-profile recent campaign in Japan. Investors hoped that improvements in capital allocation, shareholder returns and fairer treatment of minority investors would help boost valuations and close the persistent "Korea discount".

While some encouraging steps have been announced by a few companies, overall the results have thus far been quite disappointing, with structural barriers to improved returns proving difficult to overcome – not least a preponderance of family ownership, which is much less present in Japan. An electoral setback for the ruling party earlier in the year further dented the prospects of giving legislative backing to the moral suasion of the government.

The market which saw the most extreme swings in sentiment over the year was China (and, to a lesser extent, Hong Kong). The macroeconomic environment in China remained weak throughout the period, with slow domestic growth and depressed consumer confidence weighing on stock prices for much of the year. However, towards the end of September 2024, announcements from various state and party institutions led investor sentiment to turn sharply positive on the expectation of a large, co-ordinated stimulus package involving monetary, fiscal and regulatory loosening – including some measures to directly boost purchases of domestic stocks by Chinese institutional investors.

Market-leading semiconductor specialist TSMC was one of the largest contributors to performance during the year, one of a number of Taiwanese technology holdings to benefit from exposure to the demand for AI hardware.

Photo courtesy of TSMC.



The biggest driver of relative performance was stock selection, which was significantly positive in Taiwan, the Philippines, Indonesia and Hong Kong, but negative in China, Korea and India.

Although details were scarce (not least over the size and nature of the fiscal stimulus), these announcements led to a very strong stock market rally in both on-shore and off-shore Chinese stocks, driven by relief that the government no longer seemed to be willing to accept the economy might sink into a deflationary spiral.

The market subsequently saw a great deal of volatility (after the end of this reporting period) as each subsequent statement by authorities was pored over by investors for clues as to what these policy changes would entail in reality.

On the more positive side in China, exports have been an important support for the economy and there was also some relief around geopolitical tensions, with the meeting of Presidents Xi and Biden at last year's November APEC (Asia-Pacific Economic Cooperation) summit in California, and the Taiwanese election that passed off largely uneventfully. Nevertheless, there is little sign of any easing of US policies towards China, which is perhaps not unexpected in a US presidential election year.

Performance and Portfolio Activity

The Company made a positive return over the period, with a NAV total return of 16.5% though this lagged the benchmark return of 17.3%.

From an asset allocation perspective, being overweight to Hong Kong was a significant drag to relative performance (only partially offset by our underweight to China) and our off-benchmark exposure to Vietnam detracted from relative performance. Our underweight to Korea, however, was a positive contributor.

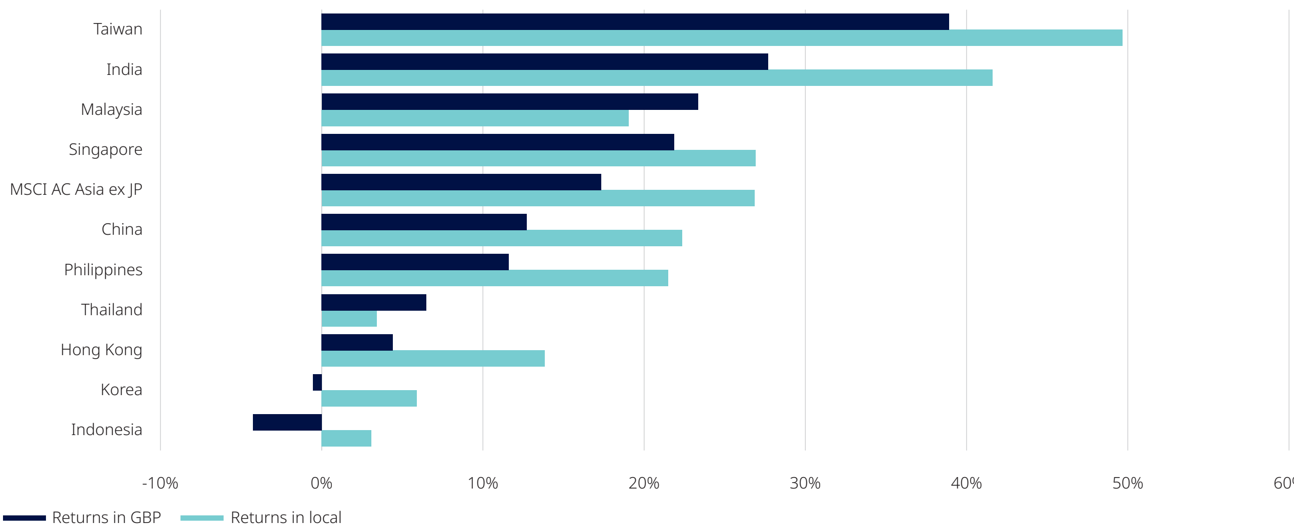
The biggest driver of relative performance was stock selection, which was significantly positive in Taiwan, the Philippines, Indonesia and Hong Kong, but negative in China, Korea and India.

In Taiwan, our exposure to technology names drove this positive stock selection, with leading-edge logic foundry **TSMC**, 'fabless' chip design company **MediaTek** and contract manufacturer **Hon Hai** all contributing positively from the tech sector, benefitting to lesser and greater degrees from their exposure to demand for AI hardware. Electronic paper supplier **E Ink** also performed strongly on signs of increased adoption of electronic shelf labels in retailers such as Walmart. Outside of tech, window coverings supplier **Nien Made** also performed well, as lower interest rates were expected to lead to a demand recovery in the US.

In the Philippines, port operator **ICTSI** performed well on good operational execution and recovering global trade, and property developer **Ayala Land** did well on a more supportive interest rate outlook. **Bank Mandiri** was a strong performer in

Market returns of the MSCI AC Asia ex Japan NDR Index in GBP and local currency

30 September 2023 to 30 September 2024



Source: Factset.

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Taiwanese electronic paper supplier E Ink was a notable contributor to performance. Grocery, DIY, electrical, pharmaceutical and department store retailers have all adopted its electronic shelf labels, and the company has a patent pending for electronic clothing tags.

Photos courtesy of E Ink.

Philippines property developer and new purchase Ayala Land owns several properties in Makati Central Business District, pictured above, a city in the Metro Manila region and the country's financial hub.

Photo courtesy of Ayala Land.

Indonesia, benefitting from a benign macro environment there and solid growth backed by their successful digital banking initiatives.

Hong Kong stock selection benefitted from our holding in global battery-powered tools manufacturer **Techtronic Industries**, which continues to see good demand for its leading professional power tools brand, Milwaukee. **Prada**, a luxury goods company, and **ASM Pacific Technologies**, which specialises in manufacturing semiconductor fabrication equipment, also contributed to positive selection in Hong Kong. Notably, these companies serve global, not just domestic Hong Kong or mainland Chinese customers.

Negative stock selection in China was partly driven by our underweight positioning in the large e-commerce segment, which saw an intense rally in the final week of the period on the back of the stimulus expectations mentioned above.

However, some individual holdings also detracted for more stock-specific reasons, such as apparel manufacturer **Shenzhou International**, which suffered from the poor Chinese sales of key customers such as Nike. Another negative contributor was our holding in **WuXi Biologics**, a Chinese healthcare services company that specialises in the outsourced research, development and manufacturing of biological drugs, which suffered from concerns over the impact of proposed legislation in the US which may impose restrictions on its ability to work with US entities.

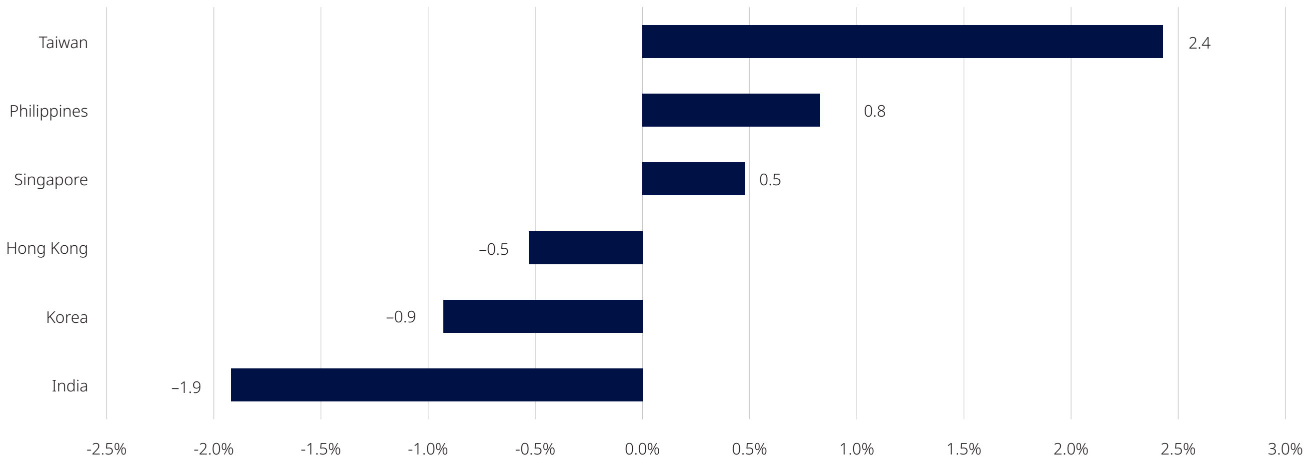
Korean stock selection faced a significant headwind from our relative position in the two memory semiconductor names, **Samsung Electronics** and **SK Hynix**. Our preference for Samsung (due to a stronger balance sheet and a history of cost and technology leadership in the industry) proved costly, as SK Hynix took a significant lead in the production of High-Bandwidth Memory (HBM), a previously niche product which has become critical, given its necessity for the efficient functioning of the leading AI chips from NVIDIA. Samsung has struggled to close the gap with SK Hynix, and these struggles have raised investor concerns about the broader leadership and strategy of the group.

Stock selection was also negative in India – as explained above, much of the outperformance of that market was driven by the small and mid-cap segments of the market, where the Company has limited exposure as we see better value in the larger-cap names in sectors such as financials and IT services. **HDFC Bank** was a notable laggard in our holdings there, as it has struggled to integrate its non-bank affiliate while also growing the overall business in line with peers.

The geographic exposure in the Company's portfolio continues to be mainly spread between Taiwan, China, India, Hong Kong, Singapore, Korea and several smaller ASEAN markets. China

Top three market contributors and detractors by relative performance

12 months to 30 September 2024 (%)



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

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remains a substantial underweight though is, in part, offset by the overweight to the Hong Kong market which, in general, looks more attractive from a valuation and governance perspective. We have however reduced our China underweight during the year, by adding to several high-quality stocks which had been sold down to attractive levels during the period, including videogame developer **NetEase**, dominant music streaming service **Tencent Music Entertainment**, automation equipment supplier **Shenzhen Inovance** and leading battery manufacturer **Contemporary Amperex Technology (CATL)**. We sold out of **Ping An Insurance**, **Hongfa**, **Yum China** and **WuXi Biologics**, as well as reducing our weight in e-commerce giant **Alibaba**. In Hong Kong, we exited **Kerry Properties** and reduced **Prada**, both on a weaker consumption outlook for China.

Elsewhere, we continue to be overweight to Singapore, with positions in banks **DBS** and **Oversea-Chinese Banking Corp** (**OCBC**), and **Singapore Telecom**, though we exited our holding in **Sea Ltd** and reduced our **Singapore Exchange** holding on strong performance. We are also overweight some of the smaller ASEAN markets such as Thailand (where we added to healthcare names **Bumrungrad Hospital** and **Bangkok Dusit Medical Services (BDMS)** on strong long-term growth prospects), the Philippines (where we added **Ayala Land** and to **Bank of the Philippine Islands**) and Indonesia, where we added **Bank Negara** while reducing **Bank Mandiri** on relative valuation. We also have an off-benchmark position in Vietnam, where we added IT services name **FPT Corp** due to its long-term competitive advantages and attractive valuation.

We are underweight in India and Korea. In Korea, we exited our holding in battery name **Samsung SDI** as competition in the sector intensified, and cosmetics producer **LG H&H** which had seen a disappointing recovery in sales to Chinese customers post-pandemic, though added to car manufacturer **Kia** which has the potential to increase shareholder returns meaningfully. In India, we sold out of IT services name **Mphasis** which had performed very strongly and added to conglomerate **Reliance Industries**.

From a sectoral perspective, financials and IT remain the Company's two largest exposures and overweights, with significant underweights being consumer staples and discretionary. Over the period, we did reduce some financials holdings, selling names including insurers **Ping An** and **Prudential**, as well as trimming **Bank Mandiri**. The IT exposure predominantly is due to positions in Taiwan, Korea and India; during the year we added Taiwanese names **E Ink**, semiconductor packaging company **ASE Technology** and foundry **UMC**, while trimming some **TSMC** on strong performance. Elsewhere we trimmed materials companies **BHP Group** and **Orica**, also following strong performance.

Outlook and Policy

Although Asian markets lagged global equities through the end of last year and start of this year, over the last six months they have done better, producing strong absolute gains exceeding global market returns, despite several ongoing but well-known headwinds.

Amongst these, geopolitics has continued to be a concern in the region, with tensions around US-China relations, Taiwan, Ukraine and the Middle East all contributing to investor caution. Although regional elections (Taiwan, Korea, Indonesia and India) have all passed reasonably smoothly this year, the re-election of President Trump in the US election in early November 2024 is likely to result in considerable uncertainty in the trade and geopolitical background for the region in coming years.

President Trump's policy proposals, on the face of it, appear quite inflationary (tariffs raising import prices, fiscal loosening) and could therefore end up with a 'higher for longer' interest rate outlook. This would likely be a tailwind for many Asian financial stocks, but a headwind for those countries with weaker external balances, including some of the ASEAN markets. Although stronger US growth is a positive for exports from Asia, any increase in tariffs could be an offset to that, particularly if the suggested 60% tariff on Chinese exports is implemented. This could ultimately end up benefiting other exporting countries across Asia who will become more competitive. Given this, China is likely to be more aggressive on domestic stimulus to try and counter any potential impact from weaker exports. Although there are clear differences between President Trump's first term and now (particularly around the starting level of interest rates, as well as the geopolitical backdrop), it is worth remembering that under President Trump 1.0 similar stimulus measures were

In the South-East Asian region, we are most exposed to Singapore, which is benefitting from its increasing status as a regional wealth management hub, as well as the growth of its ASEAN neighbours.

introduced together with increased tariffs and protectionist measures and, despite that, Asia performed well as a region, albeit after an initial wobble.

Within the region, the Chinese economy remains weak as consumer confidence is still extremely low, with this increasingly being reflected in poor retail sales and greater evidence of downtrading. This weak confidence in part reflects a weaker job market together with falling property prices. All this has meant the consumer has become more risk averse which has resulted in a meaningful increase in savings versus consumption.

With China's domestic and external sectors both facing uncertainty, we have been cautious in adding to our exposure to the market, despite the emergence of seemingly better value in a number of stocks there during the period. Consensus expectations had clearly been lowered versus a year ago (at least until the recent optimism about stimulus), and valuations had become more attractive, but several companies which disappointed on earnings still sold-off sharply, suggesting not all the weakness had yet been discounted.

The key domestic overhang remains the property market, where activity and prices are yet to recover from earlier significant falls. Although the government has made some announcements to try to put a floor under the property market, in reality the fiscal sums backing these interventions are (so far) very small compared to the scale of the problem, and unlikely to make more than a marginal difference. Given this, and the structural challenges facing stock-pickers in China (poor capital allocation, structurally lower nominal growth, unpredictable regulatory and policy shifts, high debt levels), we remain significantly underweight the market, albeit less so than where we were 12 months ago.

It is noteworthy that the most recently announced stimulus measures, at the time of writing, appear more substantive and coordinated and have provoked a meaningful rally in the stock market. Whilst we also view the stimulus as positive, in our view, the rally has already started to discount further easing and, therefore, whatever is eventually announced risks disappointing investors' expectations.

Aside from the size of any further spending, it is also how it is allocated that is key, with a need, in our view, to have more of a focus on the demand side of the economy if the consumer is to get out of its malaise, rather than continuing to drive up capital investment.

The Hong Kong market continues to suffer not only from the spillover impacts of a weak China, but also the high level of interest rates, which are inappropriate for the weak domestic economy. Whilst we have reduced our overweight to real estate held via the Hong Kong market, we have also taken advantage of weak stock prices to add to other areas, such as non-bank financials. US interest rates have now started to be cut, which should help to ease monetary conditions in Hong Kong and be supportive for the economy and market, although the pace of such cuts is more uncertain in the wake of the US election results.

India remains a bright spot in the region in terms of growth and optimism among investors, but this has been increasingly reflected in share prices, with the market now looking outright expensive on most metrics.

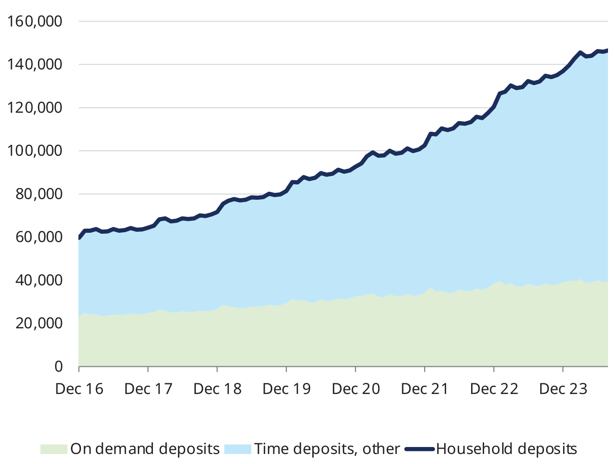
In the South-East Asian region, we are most exposed to Singapore, which is benefitting from its increasing status as a regional wealth management hub, as well as the growth of its ASEAN neighbours. We have also increased direct exposure to

China – stimulus has been focussed more on the supply side rather than demand

High savings rates are able to fund consumption if confidence returns

China consumer confidence has fallen[1]

Resulting in consumers saving more[2]



Source: [1] Refinitiv Datastream, as at 30 September 2024. [2] Bloomberg, as at September 2024. The regions, countries and sectors shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

some of the smaller ASEAN markets, such as Thailand and the Philippines.

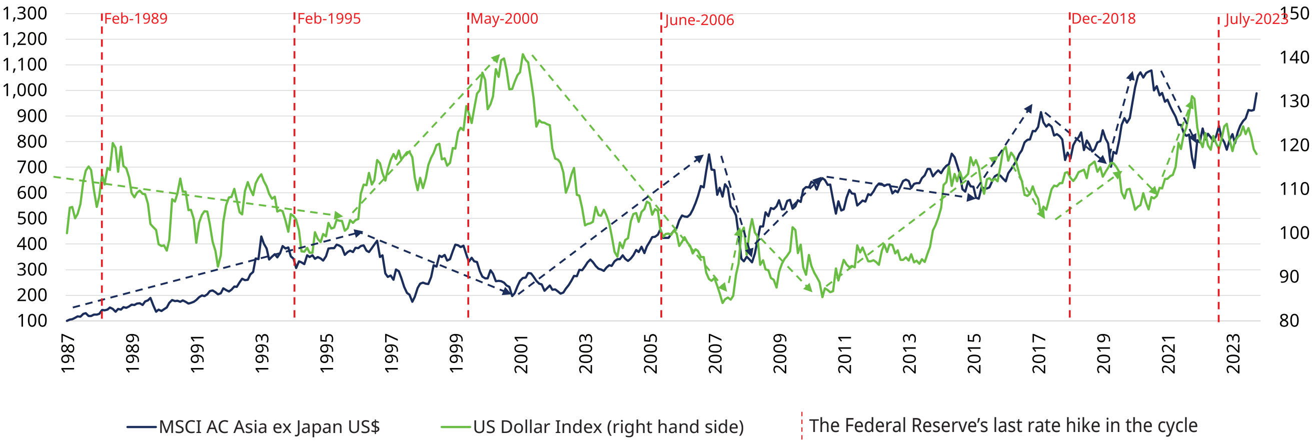
From a sector perspective, we remain overweight IT, given our positive view on the structural growth drivers behind global demand for technology, particularly advanced semiconductors. Valuations have moved higher on cyclical improvements as well as the surge in demand for AI-related hardware. However, we remain comfortable with the valuations of what we hold in the portfolio, at present but are mindful we do not want to overstay our welcome here.

We also remain overweight to financials – a diverse sector spanning not only banks, but also insurers and exchange companies. The banks we own are generally well-capitalised with strong deposit franchises. Many of our holdings are in the more mature markets, such as Singapore, which in general trade at attractive valuations and decent dividend yields, but we also have exposure to their faster growing hinterland. Direct exposure to faster growing markets, where credit penetration is relatively low, includes ASEAN markets and India. Should interest rates continue to come down from recent levels, there may be some concern over the impact that this could have on bank margins. Though any further cuts are expected to have an impact on margins, this may also, in part, be offset by lower credit costs,

Korean car manufacturer Kia was a new addition to the portfolio during the year. We believe the company has the potential to offer meaningful shareholder returns.

Photo courtesy of Kia.

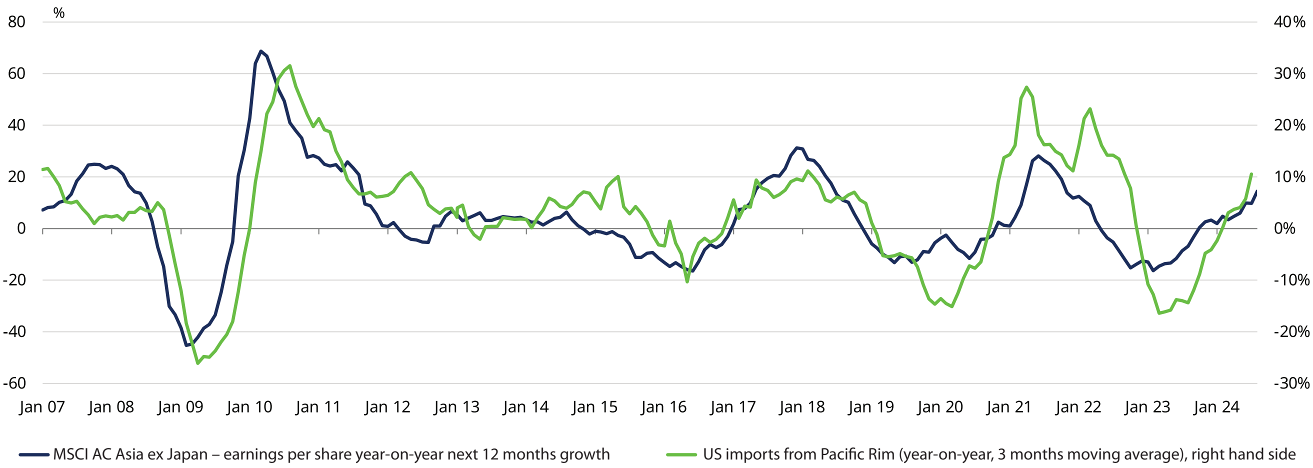
Peaking US rates and a softer US dollar historically supportive for Asian markets



Past performance is not a guide to future performance and may not. be repeated.

Source: Refinitiv Elkon Datastream, as at 30 September 2024, in US$. The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Asia's earnings are historically correlated to exports



Source: Bloomberg. Factset, as at September 2024. The regions, countries and sectors shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

potentially higher loan growth and an increase in wealth management revenues.

Historically, a weaker US dollar has been positive for Asia, rather than interest rate cuts per se, although the latter are clearly supportive of greater liquidity.

The other historically positive driver of Asian markets is the export cycle, as this tends to be correlated with underlying earnings per share growth and here we believe there has been an improvement. Inventory excesses from the post-Covid period have been run down and many industries have become more disciplined around production and supply additions. This has seen exports recover for many Asian countries and we believe a soft landing in the US would be supportive of that trend continuing, albeit at a slower rate. Here, we believe cuts in interest rates are key to avoid a sharper slowdown in US demand. Potentially higher tariffs and other barriers to trade under the incoming US administration could derail the export recovery, however, with winners and losers hard to predict at this early stage.

We believe aggregate valuations for the region are no longer particularly cheap and are now trading at slightly above long-term averages. However, this masks a large variation across individual markets where Singapore, Hong Kong, Korea, Indonesia and the Philippines, look relatively cheap versus history, whilst India and Taiwan look relatively expensive. Following its rally, China is no longer at the lower end of its valuation range having moved into the middle of its historic range.

In the short-term at least, shifting views on the likely policies of the incoming Trump administration and ongoing announcements around Chinese stimulus are likely to lead to heightened volatility in regional markets. While the outlook for interest rates is more uncertain following the US election, should they continue to fall, and the US dollar weaken, that could be a potentially positive catalyst for Asian markets, if history is any guide to go by. The outlook for exports has also been complicated by the likely policy changes to come under the incoming US administration. Stimulative policy leading to higher growth is likely to increase the demand for imported goods, but tariffs (particularly on China) could offset this to an extent. It is unlikely, however, that manufacturing of most goods currently being exported from China would shift onshore to the US – rather, other Asian countries are likely to be the main beneficiaries of any supply chain re-alignment.

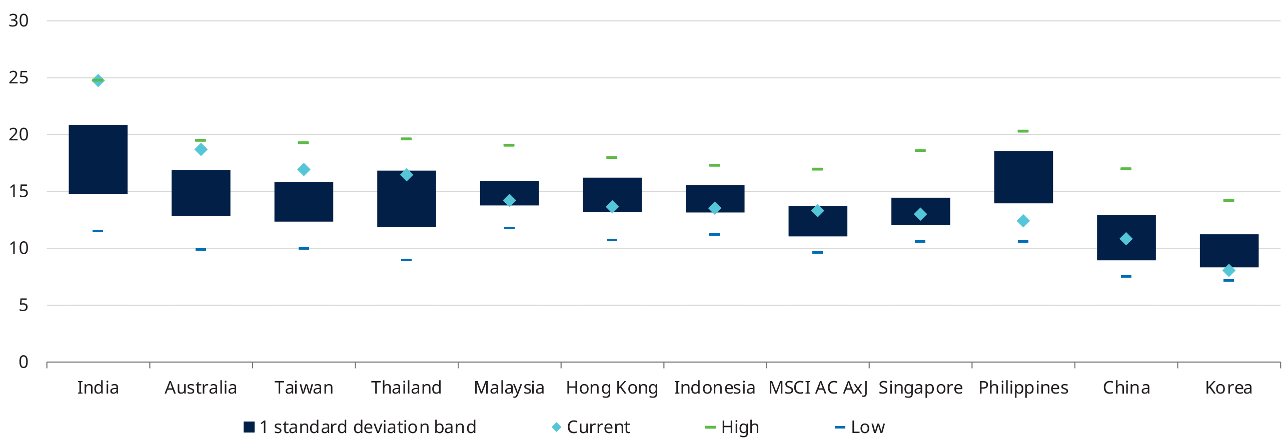
Richard Sennitt and
Abbas Barkhordar
Portfolio Managers

Schroder Investment Management Limited
2 December 2024

For help in understanding any terms used, please visit address www.schroders.com/en/insights/invest-iq/investiq/education-hub/glossary/

Broad spectrum of sentiment across the region

Price earnings ratio (P/E) next 12 months of MSCI AC Asia ex Japan markets since 2010



Past performance is not a guide to future performance and may not be repeated.

Source: Factset, MSCI, as at 30 September 2024. Australia is not a constituent of the MSCI AC Asia ex Japan Index. Notes: PE data based on forecast data. The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Market Weightings

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

	Net Asset Value (%)		Benchmark (%)
As at 30 September	**2024**	**2023**	**2024**
Taiwan	21.7	15.3	20.0
China	18.7	19.1	31.6
India	17.3	18.1	22.2
Hong Kong	12.3	13.0	4.9
Singapore	8.5	8.7	3.5
Korea	7.8	11.7	11.9
Thailand	3.7	2.0	1.7
Vietnam	3.3	3.2	–
Philippines	3.3	1.8	0.6
Indonesia	2.5	2.8	1.9
Australia	2.2	3.4	–
Malaysia	–	–	1.7
Other[1]	1.3	3.0	–
Net cash[2]	(2.6)	(2.1)	–
Total	**100.0**	**100.0**	**100.0**

Portfolio **Benchmark**

Source: Schroders, MSCI, 30 September 2024.
[1] UK, Italy and other net liabilities.
[2] Cash, less borrowings used for investment purposes.
This information is not an offer, solicitation or recommendation to buy or sell any financial instrument or to adopt any investment strategy.

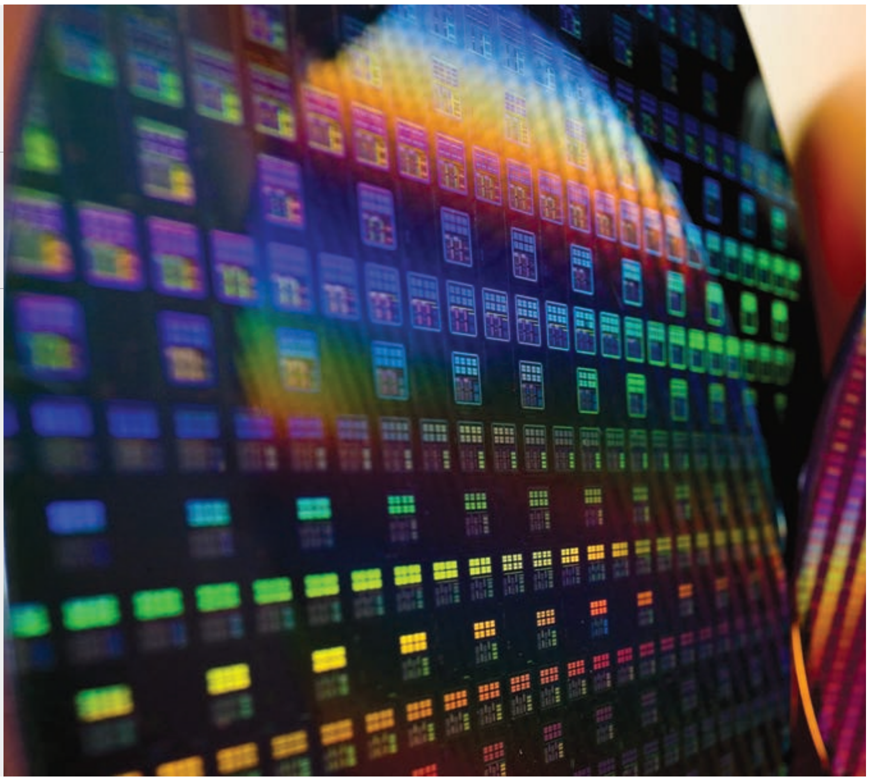
Top Ten Investments

At 30 September 2024

1
TSMC

Market: **Taiwan**
Sector: **Information Technology**
Market value: **£99.3m**
% of portfolio: **10.3%**

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



2
Tencent Holdings

Market: **China**
Sector: **Communication Services**
Market value: **£70.2m**
% of portfolio: **7.3%**

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

3
Samsung Electronics

Market: **South Korea**
Sector: **Information Technology**
Market value: **£60.8m**
% of portfolio: **6.3%**

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

4
HDFC Bank

Market: **India**
Sector: **Financials**
Market value: **£34.0m**
% of portfolio: **3.5%**

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

5
AIA

Market: **Hong Kong**
Sector: **Financials**
Market value: **£32.1m**
% of portfolio: **3.4%**

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

6
ICICI Bank

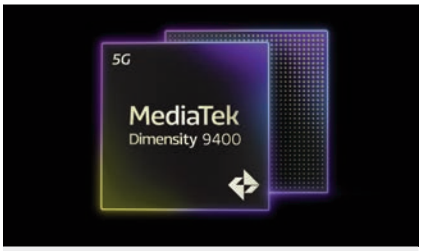
Market: **India**
Sector: **Financials**
Market value: **£31.6m**
% of portfolio: **3.3%**

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

7
OCBC

Market: **Singapore**
Sector: **Financials**
Market value: **£25.8m**
% of portfolio: **2.7%**

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



8
MediaTek

Market: **Taiwan**
Sector: **Information Technology**
Market value: **£24.0m**
% of portfolio: **2.5%**

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

9
DBS Group Holdings

Market: **Singapore**
Sector: **Financials**
Market value: **£23.0m**
% of portfolio: **2.4%**

DBS is a financial services group headquartered in Singapore. Its services include retail and corporate banking, wealth management, and capital markets solutions. Renowned for its digital innovation and customer-centric approach, DBS has been recognised as one of the world's best digital banks. The bank operates across key markets in Asia, including China, India, Indonesia, and Taiwan.

10
Hong Kong Exchanges and Clearing

Market: **Hong Kong**
Sector: **Financials**
Market value: **£20.1m**
% of portfolio: **2.1%**

Hong Kong Exchanges and Clearing is a leading financial market operator that runs the securities and futures exchanges in Hong Kong, as well as the London Metal Exchange. Through its "connect" programmes, it facilitates cross-border investment between Hong Kong and leading mainland Chinese exchanges, and therefore benefits from growing portfolio flows into and out of China.

Photos courtesy of TSMC, AIA, Mediatek, DBS Group Holdings.

Investment Portfolio

At 30 September 2024

	Sector	£'000	%
Taiwan			
TSMC	Information Technology	99,256	10.3
MediaTek	Information Technology	23,971	2.5
Delta Electronics	Information Technology	14,010	1.5
Hon Hai Precision Industries	Information Technology	12,269	1.3
Nien Made Electronics	Consumer Discretionary	12,206	1.3
E Ink	Information Technology	10,740	1.1
United Microelectronics	Information Technology	9,749	1.0
Giant Manufacturing	Consumer Discretionary	9,608	1.0
ASE Technology	Information Technology	7,499	0.8
Total Taiwan		**199,308**	**20.8**
Mainland China			
Tencent Holdings[1]	Communication Services	70,230	7.3
Alibaba[1]	Consumer Discretionary	15,385	1.6
Midea[1] (including A shares and LEPO[2])	Consumer Discretionary	15,276	1.5
NetEase[1]	Communication Services	14,412	1.5
Contemporary Amperex Technology A	Industrials	13,132	1.4
Shenzhen Inovance Technology A	Industrials	12,328	1.3
Sany Heavy Industry A	Industrials	11,039	1.2
Shenzhou International[1]	Consumer Discretionary	10,345	1.1
Tencent Music Entertainment ADR[3]	Communication Services	9,861	1.0
Total Mainland China		**172,008**	**17.9**
India			
HDFC Bank	Financials	34,037	3.5
ICICI Bank (including ADR[3])	Financials	31,559	3.3
Infosys	Information Technology	19,523	2.0
Tata Consultancy Services	Information Technology	19,046	2.0
Apollo Hospitals Enterprise	Healthcare	18,640	2.0
Reliance Industries	Energy	17,415	1.8
Oberoi Realty	Real Estate	14,810	1.6
Delhivery	Industrials	3,866	0.4
Total India		**158,896**	**16.6**
Hong Kong (SAR)			
AIA	Financials	32,060	3.4
Hong Kong Exchanges and Clearing	Financials	20,091	2.1
BOC Hong Kong	Financials	16,777	1.8
Techtronic Industries	Industrials	16,260	1.7
Galaxy Entertainment	Consumer Discretionary	10,723	1.1
Swire Properties	Real Estate	6,596	0.7
ASMPT	Information Technology	5,578	0.6
Hang Lung Properties	Real Estate	5,515	0.6
Total Hong Kong (SAR)		**113,600**	**12.0**
Singapore			
OCBC	Financials	25,847	2.7
DBS Group Holdings	Financials	22,993	2.4
Singapore Telecommunications	Communication Services	18,746	2.0
Singapore Exchange	Financials	10,267	1.1
Total Singapore		**77,853**	**8.2**

	Sector	£'000	%
South Korea			
Samsung Electronics (including preference shares)	Information Technology	60,758	6.3
Kia	Consumer Discretionary	7,911	0.8
SK Hynix	Information Technology	2,739	0.3
Total South Korea		**71,408**	**7.4**
Thailand			
Bangkok Dusit Medical Services NVDR	Healthcare	11,540	1.2
Kasikornbank NVDR	Financials	11,397	1.2
Bumrungrad Hospital	Healthcare	10,990	1.2
Total Thailand		**33,927**	**3.6**
Vietnam			
Vietnam Enterprise Investments[4]	Financials	11,509	1.2
FPT	Information Technology	8,274	0.9
Mobile World Investment	Consumer Discretionary	6,021	0.6
Vietnam Dairy Products	Consumer Staples	4,841	0.5
Total Vietnam		**30,645**	**3.2**
Philippines			
ICTSI	Industrials	11,779	1.2
Bank of the Philippines Islands	Financials	10,417	1.1
Ayala Land	Real Estate	8,154	0.9
Total Philippines		**30,350**	**3.2**
Indonesia			
Bank Mandiri	Financials	16,333	1.7
Bank Negara	Financials	6,617	0.7
Total Indonesia		**22,950**	**2.4**
Australia			
Rio Tinto[4]	Materials	11,018	1.2
BHP[4]	Materials	5,008	0.5
Orica	Materials	4,370	0.5
Total Australia		**20,396**	**2.2**
United Kingdom			
Schroder Asian Discovery Fund Z Acc[5]	–	14,500	1.5
Total United Kingdom		**14,500**	**1.5**
Italy			
Prada[1]	Consumer Discretionary	9,216	1.0
Total Italy		**9,216**	**1.0**
Total Investments[6]		**955,057**	**100.0**

Investments are classified by the Investment Manager in the region or country of their main business operations or listing.

Highlighted stocks are the twenty largest investments, which by value account for 62.0% of total investments (2023: 63.3%).

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

	£'000	%
Equities, including ADRs, LEPOs and NVDRs	927,484	97.1
Collective investment funds	14,500	1.5
Preference shares	13,073	1.4
Total investments	**955,057**	**100.0**

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

Investment Process

Investment philosophy

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

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

The durability of earnings and the alignment of our interests with management and major shareholders are key considerations. We seek to buy quality companies at the right price.

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

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

Translating philosophy into process

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

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

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

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

Stock research

The key input into the Investment Manager's stock selection decisions is the fundamental research carried out by the analyst team, the majority of which is done using internal research tools and valuation models.[1]

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

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

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

Portfolio construction

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

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

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

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

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

Investment team

A key strength of the Manager is its team of investment professionals based in the region. The two UK-based portfolio managers, who themselves have well over four decades of investment experience between them, are supported by a team of 45 equity analysts based across 6 offices in Asia Pacific ex-Japan, who have an average of over 16 years' investment experience[2].

Being based in the region means that the analysts are in regular direct contact with the companies which they are covering, with the team carrying out over 2,600 company contacts per year[3]. This regular contact allows the team to gain a thorough understanding of a company's business model and management culture, the key issues they are facing and their strategies to navigate an ever-changing business environment. Moreover, since the local investors in each country are usually the key owners of the local markets, being present on the ground enables the Manager to understand how those major local investors perceive and value companies.

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

Use of gearing

The Company amended and renewed its one year £75 million multicurrency revolving credit facility agreement with The Bank of Nova Scotia, London Branch with effect from 3 July 2024, on a secured basis. Under the facility agreement, the Company also has the option to increase the multicurrency revolving facility by a further £25 million to £100 million. At 30 September 2024, $40 million of the multicurrency revolving credit facility with The Bank of Nova Scotia, London Branch was drawn down.

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

[1] The stock research process described here covers that undertaken by our team of locally based Asia ex Japan analysts. The detail of research in other regions where analysts report locally (e.g. Australia, India) may differ, but is underpinned by the same broad approach. [2] Team information as at September 2024. The 45 ex-Japan analysts include Schroders' local specialist team of equity analysts in Sydney, as well as a joint-venture team of Indian equity analysts at Axis Asset Management (Axis AMC) in Mumbai. [3] Calendar year 2023. Source: Schroders.

ESG Integration

Integration of ESG into the investment process[1]

It is important to note that the Company does not have a specific ESG/sustainability orientation, or target outcome. The Company’s investment objective can be found in the Strategic Report on page 35.

The approach of the Manager is to incorporate into its decision-making a thorough assessment of management quality, environmental, social and governance factors, whether implicitly or explicitly. The Manager believes that integrating an analysis and evaluation of ESG factors in the security valuation and selection process helps to enhance and protect long-term shareholder value, and that the appraisal of non-financial factors, including ESG considerations, contributes to a better understanding of a company’s risk characteristics and return potential. Assessing the durability of a company’s returns and financial position has therefore always been at the core of the Manager’s research and investment decisions in Asia.

Schroders’ sustainability practice has a history of over 20 years. Today a team of more than 40 dedicated members of the Sustainable Investment team (as at 31 October 2024) develop proprietary ESG tools, such as CONTEXT™ and SustainEx™ and oversee ESG analysis across Schroders, supporting individual investment teams, such as the Asian equities team. The carbon footprint of the companies and the portfolio are monitored over time and the proprietary SustainEx™ tool measures positive and negative externalities generated by the companies.

Asia Context™, which is the principal tool employed for the Manager’s ESG analysis as it pertains to the Company’s investments, captures the Manager’s ESG analysis in one template using a stakeholder-based framework. It provides a clear and broad roadmap on the issues requiring engagement, helps refresh the team’s focus on ROIC and enhances appreciation of the downside and upside risks to a company’s business model.

The context framework:

Understanding how a company manages it relationships with stakeholders

Employees
How do your employees perform? How motivated is your team?

Suppliers
How exposed is your supply chain to disruption risks? How strong are your supplier relationships?

Environment
Have you put in place an energy transition plan? Are you managing operating impacts?

Communities
What support do you offer your local community? Have you committed to protect human rights?

Customers
How is your brand perceived? What’s in your produce pipeline?

Environment
How competitive is your market? Are you paying a fair rate of tax?

Source: Schroders.

Active ownership

Schroders has a long history of active ownership, including engagement with companies on ESG related matters, for the past two decades.

Direct company contact is an important component of the initial due diligence and ongoing monitoring process. These regular engagements form an important aspect of the Manager’s role as stewards of clients’ capital and allows deployment of capital in businesses with long-term sustainability of returns and shareholder value creation.

Corporate Governance analysts in the Sustainable Investment team will also work alongside investors and internal compliance and legal teams to vote all proxies where practically possible, and to ensure the Manager’s voting activities comply with its ESG policy.

To enhance the Asia team’s ESG expertise in Asia, two members of the Sustainable Investment team are based in the region, directly supporting the Asian capability and ensuring they are kept fully informed of the relevant output of the Sustainable Investment team in London.

A Sustainable Equity Analyst on the Asia team brings additional insight and perspective to ESG analysis and engagement.

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

ESG analysis impacts the investment process in four ways:

1) **Initial screening** – ESG helps determine which companies are considered to be investable as part of an initial screening, which is in addition to Schroders' group-wide exclusions.[1]

2) **Durability of earnings** – ESG analysis helps the investment team understand the impact ESG externalities may have on the future earnings power of the business and the ROIC and SRC of the company.

3) **Fair Value and recommendation** – ESG is an indirect and direct input into our fair value estimate of a company. Indirect, to the extent that a company's SRC may influence the assumptions used in establishing the fair value estimate of a company; and direct, to the extent that the Manager may apply an additional explicit discount/premium to that fair value estimate.

4) **Portfolio construction** – ESG helps shape portfolio construction and may influence how portfolio managers size positions. For example, poor ESG performance or heightened ESG risks may result in a decision to underweight a security, hold a smaller position size or avoid an investment completely. There is no automatic rule – each investment opportunity is assessed on a case-by-case basis, with the focus on the materiality of ESG factors on a company's valuation and risk profile.

In summary, ESG analysis helps determine which companies are looked at, how the Manager assesses their durability and, hence, how they are valued. And while company valuations ultimately drive portfolio construction, ESG insights play a role in the investment process and may influence how portfolio managers size positions within a portfolio. Furthermore, the Manager's ESG analysis is broad reaching and is not only concerned with the potential downside risks that are identified, but also the upside return implications for stocks in which the Company invests.

The table below shows the Manager's engagement in respect of portfolio holdings and voting:

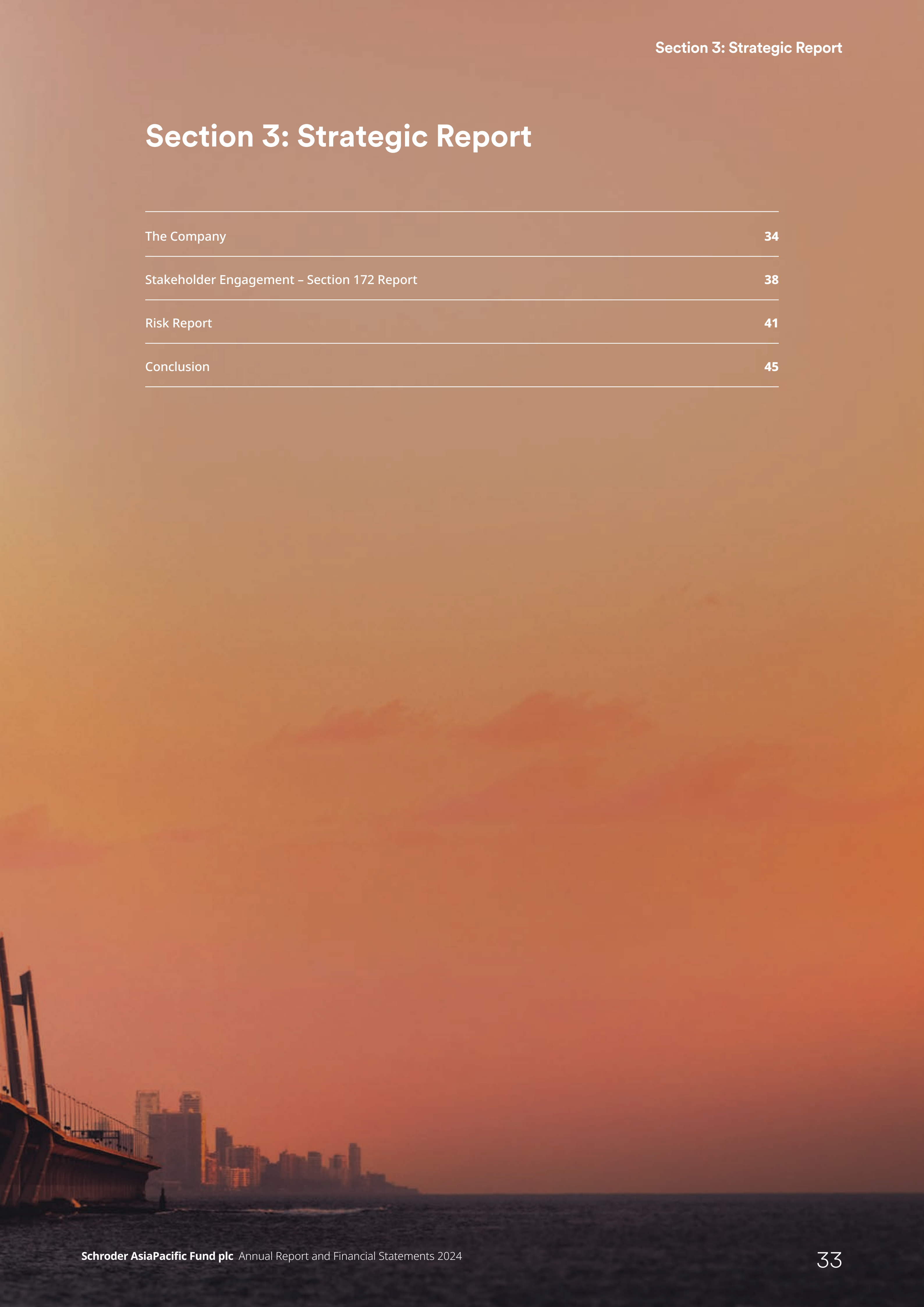
	As at 30 September 2024	As at 30 September 2023
Number of companies engaged with	36	38
Number of engagement discussion topics	95	105
Invested companies engaged with (%)	51	53
Shareholder meetings voted at	73	80
Number of proposals voted on	764	661
Number of votes against management	70	45
Votes against management (%)	9.2	6.5

Engagements encompass all instances where we cover ESG-specific issues with a company, guided by our Engagement Blueprint. We document these engagements in our proprietary platform, Active IQ, allowing us to monitor progress based on a milestone approach.

Where the Manager votes against management on behalf of the Company, in most cases these votes have been related to the board (the election of directors and their independence), capital management (where proposals are not considered in the best interests of shareholders), and compensation (concerns around remuneration levels and alignment with shareholders).

[1] Schroders applies group-level exclusions to all Schroders funds that are directly managed. These group-level exclusions relate to controversial weapons and companies that generate more than 20% of their revenues from thermal coal mining. Details can be found at the following link https://www.schroders.com/en/global/individual/about-us/what-we-do/sus

Bandra-Worli Sea Link Bridge,
Mumbai, India.



Section 3: Strategic Report

The Company

Purpose, values and culture

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

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

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

As the Company has no employees and acts through its service providers, its culture is represented by the values and behaviour of the Board and third parties to which it delegates certain activities. The Board aims to fulfil the Company's investment objective by encouraging a culture of constructive challenge with all key suppliers and openness with all stakeholders. The Board is responsible for embedding the Company's culture in the Company's operations.

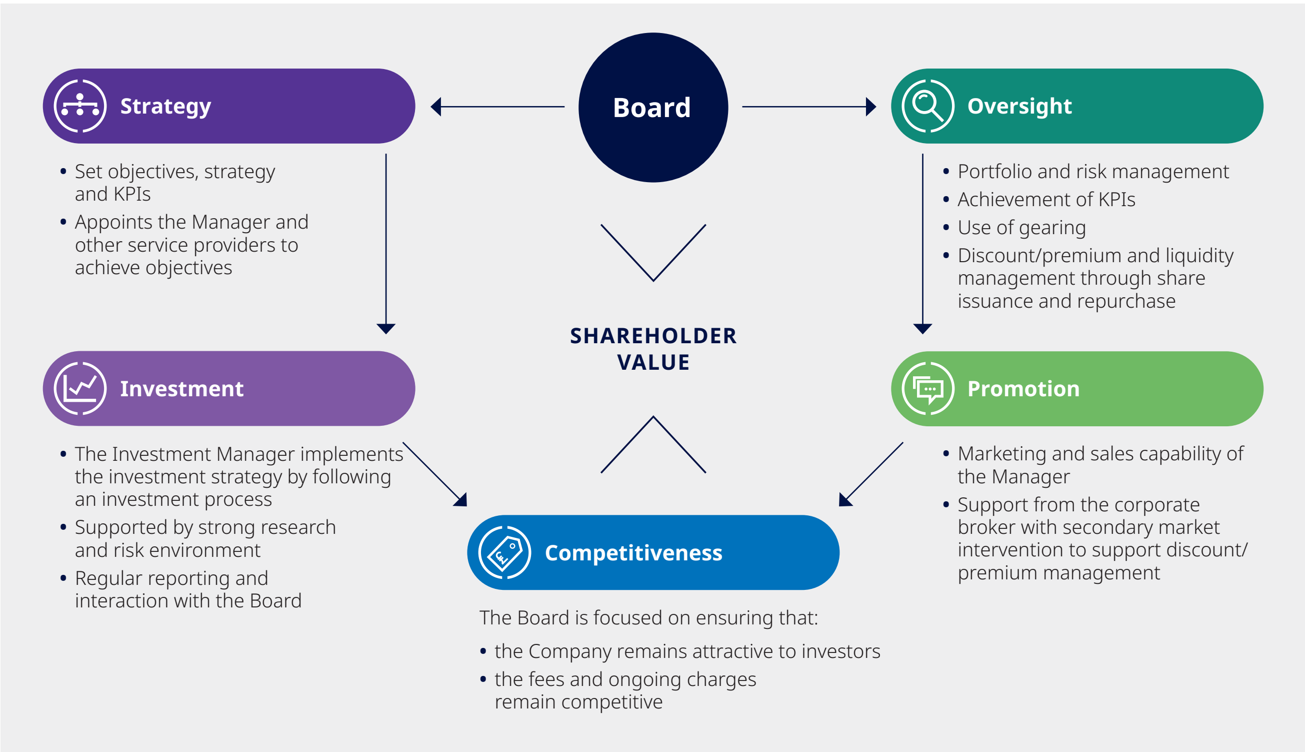
The Board recognises the Company's responsibilities with respect to corporate and social responsibility and engages with its outsourced service providers to safeguard the Company's interests. As part of this ongoing monitoring, the Board receives reporting from its service providers with respect to their anti-bribery and corruption policies; Modern Slavery Act 2015 statements; diversity policies; and greenhouse gas and energy usage reporting.

Business model

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

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

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



Investment trust status and continuation vote

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

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

Investment objective

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

Investment policy

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

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

Where appropriate the Directors may authorise the hedging of the Company's currency exposure.

Investment restrictions and spread of investment risk

The key restrictions imposed on the Manager are that:

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

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

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

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

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

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

The investment portfolio on pages 26 and 27 demonstrates that, as at 30 September 2024, the Company held 57 investments spread over multiple countries and in a range of industry sectors. The two largest investments, TSMC and Tencent Holdings represented 10.3% and 7.3% respectively of total investments. At the end of the year, the Company did not hold any unlisted investments and the only holding in an open-ended fund was in Schroder Asian Discovery Fund Z Acc, which represented 1.5% of total investments. There was also a holding in Vietnam Enterprise Investments, a closed-end fund trading on the London Stock Exchange which represented 1.2% of total investments. The Board believes that the objective of spreading risk has been achieved.

Key performance indicators (KPIs)

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

Some of the KPIs used are:

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

All of the above KPIs are Alternative Performance Measures. Further details and definitions of these can be found on pages 92 and 93.

The performance against these KPIs is reported on page 5.

Corporate and social responsibility

Diversity

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

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

Statement on Board diversity – gender and ethnic background

The Board has made a commitment to consider diversity when reviewing the composition of the Board and notes the Listing Rule requirements on board diversity:

- at least 40% of individuals on the Board are women;
- at least one senior Board position is held by a woman; and
- at least one individual on the Board is from a minority ethnic background.

The FCA defines senior board positions as Chair, Chief Executive Officer (CEO), Chief Financial Officer (CFO) or Senior Independent Director (SID). As an investment trust with no executive officers, the Company has no CEO or CFO. The Board has reflected the senior positions of the Chairman of the Board, SID and the Chair of the Audit and Risk Committee in its diversity tables.

The Board has chosen to align its diversity reporting reference date with the Company's financial year end and proposes to maintain this alignment for future reporting periods. The following information has been provided by each Director through the completion of a questionnaire.

As at 30 September 2024, the Company met all of the Listing Rule requirements on board diversity. There have been no changes since 30 September 2024 to the date of publication of the Annual Report and Financial Statements.

The tables below set out the gender and ethnic diversity composition of the Board as at 30 September 2024 and at the date of this report.

Gender identity	Number of Board members	Percentage of the Board	Number of senior positions[1] on the Board
Men	3	60.0%	2
Women	2	40.0%	1
Not specified/prefer not to say	–	–	–

Ethnic background	Number of Board members	Percentage of the Board	Number of senior positions[1] on the Board
White British or other White (including minority-white groups)	4	80.0%	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	20.0%	1
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

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

Financial crime policy

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

Greenhouse gas emissions and energy usage

As the Company outsources its operations to third parties, it consumed less than 40,000 kWh during the year and so has no greenhouse gas emissions, energy consumption or energy efficiency action to report.

Modern Slavery Act 2015

As an investment trust, the Company does not provide goods or services in the normal course of business and does not have customers. Accordingly, the Directors consider that the Company is not required to make any slavery or human trafficking statement under the Modern Slavery Act 2015.

Climate related disclosures

On 30 June 2024, the Company's AIFM produced a product level disclosure consistent with the Task Force on Climate-Related Financial Disclosures for the period 1 January 2023 to 31 December 2023. This can be found here: https://mybrand.schroders.com/m/4ef6e1cf6d1c02de/original/TCFD-GB72320M-Schroder-AsiaPacific-Fund-20231231.pdf.

Responsible investment

The Board delegates to the Manager the responsibility to engage with investee companies on social, environmental and governance issues and to promote best practice. The Board also expects the Manager to exercise the Company's voting rights in consideration of these issues.

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

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

Promotion

The Company promotes its shares to a broad range of investors including discretionary wealth managers, private investors, financial advisers and institutions which have the potential to be long-term supporters of the investment strategy. The Company seeks to achieve this through its Manager and corporate broker, which promote the shares of the Company through regular contact with both current and potential shareholders as well as their advisers.

These activities consist of investor lunches, one-on-one meetings, regional road shows and attendance at conferences for professional investors. In addition, the Company's shares are supported by the Manager's wider marketing of investment companies targeted at all types of investors; this includes maintaining close relationships with adviser and execution-only platforms, advertising in the trade press, maintaining relationships with financial journalists and the provision of digital information on Schroders' website. The Board also seeks active engagement with investors, and meetings with the Chairman are offered to investors when appropriate.

Shareholders are encouraged to sign up to the Manager's Investment Trusts update, http://www.schroders.com/trust-updates/ to receive information on the Company directly.

Stakeholder Engagement – Section 172 Report

During the year under review, the Board discharged its duty under section 172 of the Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of all stakeholders.

As an externally managed investment trust, the Company has no employees, operations or premises and a number of the Company's functions are outsourced to third parties.

The Board identified its key stakeholders as the Company's shareholders, the Manager, Investment Manager, the Company's lender, other service providers and investee companies.

The table below explains how the Directors have engaged with all stakeholders during the year, outlines the key activities undertaken and the key decisions made by the Board.

Shareholders

Significance	Engagement	2023/24 application
Continued shareholder support and engagement are critical to the continuing existence of the Company and the delivery of the long-term strategy of its business.	**AGM:** The Company welcomes attendance and participation from shareholders at the AGM. Shareholders have the opportunity to meet the Directors and the Investment Manager and ask questions. The Board values the feedback it receives from shareholders which is incorporated into Board discussions. **Publications:** The annual and half year results presentations, as well as factsheets, are available on the Company's web pages with their availability announced via the London Stock Exchange. Feedback and/or questions received from shareholders enable the Company to evolve its reporting which, in turn, helps to deliver transparent and understandable updates. **Shareholder communication:** The Investment Manager communicates with shareholders periodically. All investors are offered the opportunity to meet the Chairman, SID, or other Board members, without using the Manager or Company Secretary as a conduit, by writing to the Company's registered office. The Board also corresponds with shareholders by letter and email. The Board receives regular feedback from its broker on investor engagement and sentiment. **Investor Relations updates:** At every Board meeting, the Directors receive updates on share trading activity, share price performance and any shareholders' feedback, as well as any publications or comments in the press. To gain a deeper understanding of the views of its shareholders and potential investors, the Manager also undertakes investor roadshows throughout the year.	At the AGM in 2024, questions and feedback from shareholders were welcomed. The Board, along with the Portfolio Managers, look forward to meeting and interacting with shareholders at the AGM in 2025. The Company's web pages host the annual and half year reports. Via the Company's web pages shareholders can subscribe to the Schroders investment trusts newsletter to receive regular updates on the Company. The Chairman of the Board met with a number of the Company's major shareholders during the year and since the year end. Their views were taken into consideration as part of the Board's duty to ensure their interests were taken into account. The Manager engaged with a number of the Company's shareholders and investors during the year and regular feedback was provided to the Board. A number of promotional activities were undertaken during the year including Portfolio Manager interviews, webinars and coverage in key publications. The Board continues to work with Kepler on promoting the Company through its research notes which are published following the release of the Company's annual results.

The Investment Manager and Manager

Significance	Engagement	2023/24 application
The key outsourced function is the provision of investment management services by the Investment Manager, making it a significant stakeholder. Holding the Company's shares offers investors a liquid investment vehicle through which they can obtain exposure to the Company's diversified portfolio of investments. The Investment Manager's performance is critical for the Company to deliver its investment strategy successfully and meet its objective 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.	Maintaining a close and constructive working relationship with the Investment Manager is crucial as the Board and the Investment Manager both aim to continue to achieve capital growth in line with the investment objective. The Investment Manager attends all Board and certain Committee meetings in order to update the Directors on the performance of the investments and the implementation of the investment strategy and objective. Important components in the Board's collaboration with the Investment Manager are: • encouraging open discussion with the Investment Manager; • recognising that the interests of shareholders and the Investment Manager are, for the most part, well aligned, adopting a tone of constructive challenge, balanced when those interests are not fully congruent by robust negotiation of the Investment Manager's terms of engagement; and • the Management Engagement Committee reviews the performance of the Investment Manager and Manager, the remuneration of the Manager and the discharge of its contractual obligations at least annually.	Representatives of the Investment Manager, including at least one of the Portfolio Managers, attend each Board meeting to provide an update on the investment portfolio along with presenting on macroeconomic issues. The portfolio activities undertaken by the Investment Manager and the impact of decisions affecting investment performance are set out in the Investment Managers' Review on pages 14 to 31.

Investee companies

Significance	Engagement	2023/24 application
The Board is committed to responsible investing and monitors the activities of investee companies through its delegation to the Investment Manager.	The Investment Management team conducts face-to-face and/or virtual meetings with the management teams of all investee companies to understand current trading and prospects for their businesses, and to ensure that their ESG investment principles and approach are understood. The Investment Manager has discretionary powers to exercise the Company's voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Investment Manager reports to the Board on stewardship (including voting) issues and the Board has the opportunity to question the rationale for voting decisions made. Through regular engagement and the exercise of voting rights, the Investment Manager actively works with companies to improve corporate standards, transparency and accountability.	The Board received regular updates on engagement with investee companies from the Investment Manager at its Board meetings. In addition, the Board also visited Vietnam and Hong Kong during the year and met with investee companies and analysts to understand better the tensions and opportunities in the region. During the year, the Investment Manager engaged with many of its investee companies and voted at shareholder meetings (further details can be found on page 31).

Lender

Significance	Engagement	2023/24 application
Availability of funding and liquidity are crucial to the Company's ability to take advantage of investment opportunities as they arise.	Considering how important the availability of funding is, the Company aims to demonstrate to lenders that it is a well managed business and, in particular, that the Board focuses regularly and carefully on the management of risk. The Manager conducts the relationship with the Company's lender and reports to the Board at each Board meeting as and when required for renewals of terms or negotiation of loan covenants. The Manager provides a monthly statement of compliance of the loan covenants to the lender.	During the year, gearing was regularly considered. The Board entered into an amendment and restatement agreement in July 2024 with The Bank of Nova Scotia, London Branch in respect of the multicurrency revolving credit facility as previously amended and renewed in June 2023. The amendment and renewal of the multicurrency revolving credit facility was undertaken on a secured basis.

Other service providers

Significance	Engagement	2023/24 application
In order to operate as an investment trust listed on the London Stock Exchange, the Company relies on a range of advisers and service providers. The Company ensures that the third parties to which the services have been outsourced complete their roles in line with contractual arrangements and expectation thereby supporting the Company.	The Board maintains regular contact with its key external providers, both through the Board and Committee meetings, which service providers are periodically invited to attend, as well as outside of the regular meeting cycle. Their advice, as well as their operating requirements and views, are routinely taken into account. The need to foster business relationships with key service providers is central to Directors' decision-making as the Board of an externally managed investment trust.	Under delegated authority from the Board, the Management Engagement Committee reviewed all material third party service providers. The Board considered the ongoing appointments of its service providers to be in the best interests of the Company and its shareholders as a whole and will continue to monitor their progress in the year ahead. During the year, the Directors were invited to attend an internal controls briefing session, hosted by the Manager which assessed the internal controls of certain key service providers including the Company's depositary and custodian, HSBC and the Company's registrar, Equiniti.

Examples of stakeholder consideration during the year

The Directors were particularly mindful of stakeholder considerations in reaching the following key decisions during the year ended 30 September 2024:

- the Board maintained the strategy to buy back shares which provides a degree of liquidity when the discount widens and helps to contain discount volatility;
- the Board continued to plan for Board succession, as it recognises the benefits of regular Board refreshment;
- the Board entered into an amendment and restatement agreement in July 2024 in respect of the multicurrency revolving facility agreement originally dated 23 June 2022. Given the specific requirements of the Company and various factors, including the interest rate environment, the Board, concluded that on renewal, the one year multicurrency revolving credit facility, on a secured basis, remained the most appropriate arrangement and The Bank of Nova Scotia, London Branch the most appropriate provider of the facility;
- the Board undertook its annual visit, together with the Investment Manager, to the region and visited Vietnam and Hong Kong to undertake due diligence meetings with consultants and investee companies and review Schroders capabilities in the region; and
- the Board has declared a final dividend of 12.50p per ordinary share (2023: 12.00p) which, if approved by shareholders at the AGM on 29 January 2025, will be paid on 7 February 2025.

Following the year end, the Board, together with the Investment Manager, undertook due diligence in the region.

Risk Report

The Board itself, and, through its delegation to its Audit and Risk Committee, is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. The Board has adopted a detailed matrix of principal and, where applicable, emerging risks affecting the Company's business as an investment trust. The Company has established associated policies and processes designed to manage and, where possible, mitigate those risks which are monitored by the Audit and Risk Committee on an ongoing basis.

This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives.

Risk assessment and internal controls review by the Board

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

Although the Board believes that it has a robust framework of internal controls in place, this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

Both the principal and emerging risks and the monitoring system are also subject to robust review at least annually. The last assessment took place in November 2024.

During the year, the Board discussed and monitored a number of risks which could potentially impact the Company's ability to meet its strategic objectives. The Board receives updates from the Investment Manager, Company Secretary and other service providers on emerging risks that could affect the Company. The Board was mindful during the year of the ongoing conflicts in Israel, which were not seen as new principal or emerging risks but those that exacerbate existing risks. These have been incorporated in the geopolitical and market sections in the table below.

Geopolitical risk includes the impact of regional tensions, trade wars and sanctions against companies. The Board continued to monitor events in the Middle East, Ukraine, ongoing pressure in the Asia-pacific region, slowing economic growth in China and supply chains. The Board is also mindful that changes to financial and public policy could impact the Company in the future in part driven by the results of several significant elections in 2024, notably in the US.

ESG risk includes climate change risk and how it could affect the Company's investments, and potentially shareholder returns. ESG considerations, including climate change are embedded in the investment process and greater transparency continues to be provided in Board reporting and the Annual Report. The Board will continue to monitor this closely. Further details are provided in respect of geopolitical and ESG risks in the table below.

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment which has been in place throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company. A full analysis of the financial risks facing the Company is set out in note 20 to the financial statements on pages 82 to 86.

Actions taken by the Board and, where appropriate, its Committees, to manage and mitigate the Company's principal risks and uncertainties are set out in the table below.

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

Risk	Mitigation and management	Change
Strategy and competitiveness		
The requirements of investors change or develop in such a way as to diverge from the Company's investment objectives, resulting in a wide discount of the share price to NAV per share. The Company's cost base could become uncompetitive, including fees, against the peer group and against open-ended alternatives.	The appropriateness of the Company's investment remit is periodically reviewed and the success of the Company in meeting its stated objectives is monitored. The share price relative to NAV per share is monitored and the use of buy back authorities is considered on a regular basis. The marketing and distribution activity is regularly reviewed. The Company engages proactively with investors. The Management Engagement Committee reviews fees paid to the Manager at least annually. The ongoing competitiveness of all service provider fees is subject to periodic benchmarking against their competitors. The monitoring of fees charged by other service providers takes place alongside an annual review of the Company's ongoing charges figure. The Board approves significant non-routine expenses.	
Investment management		
The Manager's investment strategy and levels of resourcing, if inappropriate, may result in the Company underperforming the market and/or peer group companies, leading to the Company becoming unattractive to investors.	Regular review of: • investment performance; • NAV and share price performance including discount against the peer group; and • whether appropriate strategies are employed to mitigate any negative impact of substantial changes in markets. The Manager reports on macro-economic events, including regional policies, quarterly and more frequently in response to events, if considered necessary. The Management Engagement Committee reviews annually the ongoing suitability of the Manager. Regular meetings with major shareholders are undertaken to seek their views with respect to Company matters.	
Market		
A significant fall in regional equity markets and/or currency could have an adverse impact on the market value of the Company's underlying investments.	The Board continues to monitor the market volatility caused by current geopolitical issues and will continue to do so on an ongoing basis. The Board recognises that there continues to be a currency/exchange rate risk relating to the region and monitored it carefully during the period. The Board also monitors macroeconomic and market factors, including the impact of inflation. Those risks, including market risk, associated with the economic environment that might impact the Company are also mitigated to some extent by the Investment Manager. Note 20 to the financial statements provides further details of the steps taken to mitigate those risks associated with the portfolio. The Company has no formal policy of hedging currency risk but may use foreign currency borrowings or forward foreign currency contracts to limit exposure. The Company does not hedge against sterling. The risk profile of the portfolio is considered and appropriate strategies to mitigate any negative impact of substantial changes in markets are discussed with the Portfolio Managers. The Investment Manager seeks to invest in companies with strong balance sheets and sustainable business models.	

Risk	Mitigation and management	Change
Geopolitical		↑
Political developments globally might materially affect the ability of the Company to achieve its investment objective. The region also has its own specific risks which could impact market volatility and sentiment. Risks include regional tensions, trade wars and sanctions against companies, in areas which the Company invests or may invest, that might have consequences for the Company including an adverse effect on the value of the Company's assets.	The Board continued to monitor key political developments in the Asia Pacific region, in addition to the Ukraine war and the Middle East. It was recognised that there continues to be an elevated geopolitical risk relating to the region. Subject to shareholder consent, the Board can amend the investment policy and objective of the Company to mitigate these risks.	
Custody and depositary		↔
Safe custody of the Company's assets may be compromised through control failures by the depositary.	The depositary reports on the safe custody of the Company's assets, including cash and portfolio holdings which are independently reconciled with the Manager's records. The review of audited internal controls reports covering custodial arrangements is undertaken. An annual report from the depositary on its activities, including matters arising from custody operations is received.	
Gearing and leverage		↔
The Company utilises credit facilities. These arrangements increase the funds available for investment through borrowing. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance.	Gearing is monitored and restrictions on borrowings are imposed: gearing continues to operate within pre-agreed limits so as not to exceed 20% of the Company's net assets. Generally, gearing is maintained at relatively low levels.	
Accounting, legal and regulatory change		↔
In order to continue to qualify as an investment trust, the Company must comply with the requirements of Section 1158 of the Corporation Tax Act 2010. Breaches of the UK Listing Rules, the Companies Act or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes.	The Board intends to continue to operate the Company in full compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, compliance is confirmed by the external auditor. The confirmation of compliance with relevant laws and regulations by key service providers is reviewed. Shareholder documents and announcements, including the Annual Report, are subject to stringent review processes. Procedures are established to safeguard against the disclosure of inside information.	

Risk	Mitigation and management	Change
Climate change		⟷
ESG requirements including climate change and climate-related risks could impact the Company's business and affect revenue, expenses, asset values or the cost or availability of capital.	The consideration of climate change risks and ESG factors is integrated into the investment process and reported at regular Board meetings. The Investment Manager considers and evaluates the approach investee companies take to recognise and mitigate climate change risks. The Manager has implemented a comprehensive ESG policy which is outlined in detail on pages 30 and 31.	
Third party services		⟷
The Company has no employees and has delegated certain functions to a number of service providers. Failure of controls, including as a result of fraud, and poor performance of any service provider, could lead to disruption, reputational damage or loss of shareholders' assets.	Service provider appointments are subject to due diligence processes and with clearly documented contractual arrangements detailing service expectations. Regular reports are provided by key service providers and the quality of their services is monitored. Monitoring includes an annual presentation to the Chair of the Audit and Risk Committee and other Directors from Schroders' key risk and internal controls personnel, the Company's depositary and custodian, HSBC, and the Company's registrar, Equiniti. Review of annual audited internal controls reports from key service providers, including confirmation of business continuity arrangements and IT controls.	
Cyber		⟷
The Company's service providers are all exposed to the risk of cyber-attacks. Cyber-attacks could lead to loss of personal or confidential information, unauthorised payments or inability to carry out operations in a timely manner.	The Company's service providers report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyber-attack.	

Conclusion

Viability statement

The Directors have assessed the viability of the Company over a five year period, taking into account the Company's position at 30 September 2024 and the potential impact of the principal and emerging risks it faces for the review period. This is further detailed in the Chairman's Statement, Investment Manager's Review and the Risk Report sections of this report. The Directors have assessed the Company's operational resilience and they are satisfied that the Company's outsourced service providers will continue to operate effectively.

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

In its assessment of the viability of the Company, the Directors have considered each of the Company's principal and emerging risks detailed on pages 41 to 44 and in particular the impact of a significant fall in regional equity markets on the value of the Company's investment portfolio. The Directors have also considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary.

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

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

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

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

Going concern

The Directors have assessed the principal and emerging risks and the matters referred to in the viability statement. The Directors noted the Company's portfolio is comprised of liquid stocks, and the Company's operating expenses are predominantly variable costs, which would fall pro-rata in the event of a severe market downturn.

Based on the work the Directors have performed, they have not identified any material events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period assessed by the Directors, being the period to 31 December 2025 which is at least 12 months from the date the financial statements were authorised for issue.

By order of the Board

Schroder Investment Management Limited
Company Secretary

2 December 2024

Singaporean Green Corridors
and Keppel Bay, Singapore.

Section 4: Governance

Board of Directors

All Directors are non-executive and independent of the Manager. All Directors are members of the Audit and Risk Committee, the Management Engagement Committee and the Nomination Committee. Further details can be found on page 49.

James Williams

Chairman

Length of service: 10 years – appointed a non-executive Director in August 2014 and Chairman with effect from 1 February 2021.

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

Areas of expertise: James has many years' international business experience in Asia and Europe, and a strong knowledge of the investment trust sector and financial markets.

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

Remuneration for the year ended 30 September 2024: £49,000.

Number of shares held: 20,000.

Julia Goh

Chair of the Audit and Risk Committee

Length of service: 3 years – appointed a non-executive Director in October 2021 and Chair of the Audit and Risk Committee on 1 February 2022.

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

Areas of expertise: Julia has significant senior front-office experience with specific expertise in markets (sales and trading), hedge funds, structured products, risk management and internal controls.

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

Remuneration for the year ended 30 September 2024: £44,000.

Number of shares held: 15,000.

Vivien Gould

Chair of the Nomination Committee

Length of service: 5 years – appointed a non-executive Director in May 2019, and Chair of the Nomination Committee in January 2024.

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

Areas of expertise: Vivien brings a deep knowledge of investment trusts and their activities and extensive financial services and investment experience.

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

Remuneration for the year ended 30 September 2024: £36,000.

Number of shares held: 5,000.

Rupert Hogg

Length of service: 1 year – appointed a non-executive Director in May 2023.

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

Areas of expertise: Rupert brings extensive international business and governance experience, especially in Asia Pacific, with a focus on strategy and business transformation.

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

Current remuneration: £36,000.

Number of shares held: 5,012.

Martin Porter

Senior Independent Director and Chair of the Management Engagement Committee

Length of service: 7 years – appointed a non-executive Director in October 2017, Senior Independent Director with effect from 1 February 2022 and Chair of the Management Engagement Committee in September 2021.

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

Areas of expertise: Martin has extensive asset management experience and his input is significant in the oversight of the investment manager, portfolio construction and market sentiment.

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

Remuneration for the year ended 30 September 2024: £40,000[1].

Number of shares held: 20,000.

*Shareholdings are as at 2 December 2024, full details of Directors' shareholdings are set out in the Directors' Remuneration Report on page 59.

[1] Inclusive of the additional fee of £4,000 payable with effect from 31 January 2024 in respect of the role of SID.

Directors' Report

The Directors submit their report and the audited financial statements of the Company for the year ended 30 September 2024.

Directors and officers

Chairman

The Chairman is an independent non-executive Director who is responsible for leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chairman's biography is detailed on page 48. He has no conflicting relationships.

Senior Independent Director (SID)

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

Company Secretary

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

Role and operation of the Board

The Board (of five Directors, listed on pages 48 and 49) is the Company's governing body; it sets the Company's strategy and is collectively responsible to shareholders for its long-term success. The Board is responsible for appointing and subsequently monitoring the activities of the Manager and other service providers to ensure that the investment objective of the Company continues to be met. The Board also ensures that the Manager adheres to the investment restrictions set by the Board and acts within the parameters set by it in respect of any gearing. The Strategic Report on pages 34 to 45 sets out further detail of how the Board reviews the Company's strategy, risk management and internal controls. These sections form part of this Directors' Report.

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

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

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

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

Key service providers

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

Manager

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

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

The Schroders Group manages £777.4 billion (as at 30 September 2024) on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income, multi-asset and alternatives.

Fees payable to the Manager

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

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

The management fee payable in respect of the year ended 30 September 2024 amounted to £6,102,000 (2023: £6,208,000).

The company secretarial fee paid to the Manager in the year ended 30 September 2024 was £150,000 (2023: £150,000).

Details of amounts payable to the Manager are set out in notes 4 and 17 of this report.

The Board has reviewed the performance of the Manager during the year under review and continues to consider that it has the appropriate depth and quality of resource to deliver superior returns over the longer term. The Manager is supported by significant depth of knowledge and experience in Asia, with regional resources and local analysts. Thus, the Board considers that the Manager's appointment under the terms of the AIFM agreement is in the best interests of shareholders as a whole.

Depositary

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

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

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

Registrar

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

Compliance with the AIC Code of Corporate Governance

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

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

The FCA requires all UK listed companies to disclose how they have complied with the provisions of the UK Code. This statement, together with the Statement of Directors' Responsibilities, viability statement and going concern statement set out on pages 63 and 45 respectively, indicates how the Company has complied with the principles of good governance of the AIC Code and its requirements on internal control. The Strategic Report and Directors' Report provide further details on the Company's internal controls (including risk management), governance and diversity policy.

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

Revenue, final dividend and dividend policy

The net revenue return for the year, after finance costs and taxation, was £19,315,000 (2023: £18,990,000), equivalent to a revenue return per ordinary share of 12.79 pence (2023: 12.06 pence).

The Board has recommended the payment of a final dividend for the year ended 30 September 2024 of 12.50 pence per share (2023: 12.00 pence) payable on 7 February 2025 to shareholders on the register on 27 December 2024, subject to approval by shareholders at the AGM on 29 January 2025.

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

Committees

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

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

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

Status

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

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

The Articles of Association contain provisions requiring the Directors to put a proposal for the continuation of the Company to shareholders at the AGM in 2026 and thereafter at five yearly intervals.

Share capital and substantial share interests

As at the date of this report, the Company had 143,216,216 ordinary shares of 10p in issue. No shares were held in treasury.

During the year under review 8,209,500 ordinary shares with a nominal value of 10p per share, which represented 5.3% of the Company's ordinary shares in issue at the start of the year, were bought back. All ordinary shares bought back were subsequently cancelled.

All shares in issue rank equally with respect to voting, dividends and any distribution on winding up. The Company has received details of changes to the Company's share capital during the year under review which are given in note 14 to the financial statements on page 79. As at 30 September 2024, the Company has received notifications in accordance with the FCA's Disclosure Guidance and Transparency Rule 5.1.2R of the below interests in 3% or more of the voting rights attaching to the Company's issued share capital.

	As at 30 September 2024	
As at 30 September 2024	**Number of shares**	**% of total voting rights**
City of London Investment Management Company Limited	28,459,657	19.09
Rathbones Investment Management Limited	18,186,075	12.00
Schroders plc	8,483,022	5.48
abrdn	8,299,097	5.36
Allspring Global Investments Holdings, LLC	8,277,161	5.35
Wells Capital Management	8,255,649	5.33
Lazard Asset Management LLC	7,911,876	5.11

There have been no changes notified since the year end and the date of this report.

Directors' attendance at meetings

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

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

[1] Keith Craig retired from the Board on 31 January 2024.

Provision of information to the auditor

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

Directors' and officers' liability insurance and indemnities

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

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

By order of the Board

Schroder Investment Management Limited
Company Secretary

2 December 2024

Audit and Risk Committee Report

The responsibilities and work carried out by the Audit and Risk Committee during the year are set out in the following report. The duties and responsibilities of the Committee, which include monitoring the integrity of the Company's financial reporting and internal controls, are set out in further detail below:

Ongoing risk review

Half year report → Audit planning → Audit → Annual Report → Review of external auditor

All Directors are members of the Committee. Julia Goh is the Chair of the Committee. The Board has satisfied itself that at least one of the Committee's members has recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which the Company operates. The AIC Code permits the Chairman to be a member of the Audit Committee of an investment trust. Recognising James Williams' significant experience, it is considered appropriate for the Chairman to be a member of the Audit and Risk Committee. The Committee's terms of reference are available on the Company's web pages: www.schroders.co.uk/asiapacific.

Approach

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

Risk management and internal controls

Principal and emerging risks and uncertainties
To establish a process for identifying, assessing, managing and monitoring the principal and emerging risks of the Company and to explain how these are managed or mitigated.

Internal controls
To monitor the adequacy and effectiveness of the Company's risk management and internal control systems.

Financial reports and valuation

Financial statements
To monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and valuation. To review the annual and half year reports and to advise the Board on whether the Annual Report is fair, balanced and understandable.

Going concern and viability
To review the position and make recommendations to the Board in relation to whether it considers it appropriate to adopt the going concern basis of accounting in preparing its annual and half year financial statements. To review the disclosures made by the Company in the viability statement.

Audit

Audit results
To discuss any matters arising from the audit and recommendations made by the auditor.

Auditor appointment, independence and performance
To make recommendations to the Board, in relation to the appointment, re-appointment, effectiveness, non-audit services and removal of the Auditor. To review their independence and to approve their remuneration and terms of engagement. To review the audit plan and engagement letter.

Application during the year

The below table sets out how the Committee discharged its duties during the year under review and up until the approval of this report. The Committee met four times during the year. Further details on attendance can be found on page 52. An evaluation of the Committee's effectiveness and review of its terms of reference was completed during the year.

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

Risk management and internal controls

Risk management and internal controls
Reviewed the internal controls operating within the Manager, depositary, custodian, administrator and registrar, including independently audited internal controls reports. In July 2024, members of the Committee met with the key service providers at an annual review meeting in addition to reviewing the quarterly reports covering the operations of the service providers.

These reports and reviews collectively covered the effectiveness of the Company's material controls, including financial, operational, reporting and compliance controls. Following these reviews, the Committee considered that a sufficient level of internal assurance was in place and the work of the external audit was not adversely impacted by the absence of an internal audit function. It was therefore recommended that an internal audit function was not required at present.

Following a review of the Company's risk management and internal controls framework, the Committee noted that these remained effective as at the end of the financial year ended 30 September 2024.

Compliance with the investment trust qualifying rules in Section 1158 of the Corporation Tax Act 2010
Consideration of the Manager's report confirming compliance.

Principal and emerging risks
Reviewing the principal and emerging risks faced by the Company and the systems, processes and oversight in place to identify, manage and mitigate the risks.

Financial reports and valuation

Recognition of investment income
Considered dividends received against forecast and the allocation of special dividends to income or capital.

Calculation of the investment management fee
Consideration of methodology used to calculate the fees, matched against the criteria set out in the AIFM agreement.

Financial reporting
Considered the accounting policies and judgments used in preparing the half year and annual financial statements.

Overall accuracy of the Annual Report and Financial Statements
Consideration of the draft Annual Report and Financial Statements and the letter of representation from the Manager in support of the letter of representation to the auditor.

Valuation and existence of holdings
Quarterly review of portfolio holdings and assurance reports.

Fair, balanced and understandable
Reviewed the Annual Report and Financial Statements to ensure that it was fair, balanced and understandable.

Going concern and viability
Reviewing the impact of risks on going concern and longer-term viability.

Audit

Effectiveness of the independent audit process and auditor performance
Evaluated the effectiveness of the independent audit firm and process prior to making a recommendation that the auditor should be re-appointed at the forthcoming AGM. Evaluated the auditor's performance against agreed criteria including: qualification; knowledge, expertise and resources; independence policies; effectiveness of audit planning; adherence to auditing standards; and overall competence, alongside feedback from the Manager on the audit process. The Committee noted the auditor had demonstrated its professional scepticism during the audit.

Auditor independence
Ernst & Young LLP has provided audit services to the Company for six years, since appointment by the Company on 25 July 2019 to audit the financial statements for the year ended 30 September 2019 and subsequent financial periods. The auditor is required to rotate the senior statutory auditor every five years. There are no contractual obligations restricting the choice of external auditor.

Having completed five years acting as the Company's senior statutory auditor, following the completion of the audit in respect of the year ended 30 September 2023, Caroline Mercer was succeeded by Denise Davidson as the senior statutory auditor. This is therefore the first year that the senior statutory auditor, Denise Davidson has conducted the audit of the Company's financial statements. The Company is compliant with the provisions of the September 2014 Competition and Markets Authority Order, which requires that FTSE 350 companies put their audit out to tender at least every ten years.

Meetings with the auditor
Met the auditor without representatives of the Manager present. Representatives of the auditor attended the Committee meeting at which the draft Annual Report and Financial Statements were considered.

Risk management and internal controls	Financial reports and valuation	Audit
		Provision of non-audit services by the auditor Reviewed the Financial Reporting Council's Guidance on Audit Committees and formulated a policy on the provision of non-audit services by the Company's auditor. The Committee determined that the Company's appointed auditor will not be considered for the provision of certain non-audit services, such as accounting and preparation of the financial statements, internal audit and custody. The auditor may, if required, provide other non-audit services which will be judged on a case-by-case basis. The auditor did not provide any non-audit services to the Company during the year.
		Consent to continue as auditor Ernst & Young LLP indicated to the Committee their willingness to continue to act as auditor.

Recommendations made to, and approved by, the Board:

As a result of the work performed, the Committee has concluded that the Annual Report for the year ended 30 September 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 63.

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

By order of the Board

Julia Goh
Chair of the Audit and Risk Committee

2 December 2024

Management Engagement Committee Report

The Management Engagement Committee is responsible for: (1) the monitoring and oversight of the Manager's performance and fees, and confirming the Manager's ongoing suitability; and (2) reviewing and assessing the Company's other service providers, including reviewing their fees.

All Directors are members of the Committee. Martin Porter is the Chair of the Committee. Its terms of reference are available on the Company's web pages: www.schroders.co.uk/asiapacific.

Approach

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

Oversight of the Manager

The Committee:

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

Oversight of other service providers

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

- depositary and custodian;
- corporate broker;
- registrar; and
- lender.

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

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

Application during the year

Oversight of the Manager

The Committee met with senior management, as well as representatives from various business functions supporting the Portfolio Managers.

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

The Committee reviewed the terms of the AIFM agreement and agreed they remained fit for purpose.

Oversight of other service providers

The Committee conducted a detailed review of each of the Company's key service providers, including their anti-modern slavery, anti-bribery, sustainability, diversity and inclusion policies, and concluded that their continued appointments were appropriate.

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

Recommendations made to, and approved by, the Board:

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

Nomination Committee Report

The Nomination Committee is responsible for: (1) the recruitment, selection and induction of Directors; (2) their assessment during their tenure; and (3) the Board's succession plans.

Selection and ongoing assessment of Directors

Selection → Induction → Annual evaluation → Annual review of succession policy → Application of succession policy

All Directors are members of the Committee. Vivien Gould succeeded Keith Craig as Chair of the Committee in January 2024. Its terms of reference are available on the Company's web pages: www.schroders.co.uk/asiapacific.

Approach

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

Selection and induction

- The Committee prepares a job specification for each role, and proposals are sought from independent search firms. Following evaluation by the Committee, a firm is selected. For the Chairman of the Board and the Chairs of Committees, the committee considers current Board members too.
- A job specification outlines the knowledge, professional skills, personal qualities and experience requirements.
- The search firm sources a long list of potential candidates, who are assessed against the job specification.
- Potential candidates are assessed against the Company's diversity policy.
- The Committee discusses the long list, invites a number of candidates for interview and makes a recommendation to the Board.
- The Committee reviews the induction of new Directors.

Board evaluation and Directors' fees

- The Committee assesses the performance, composition, diversity and how effectively members work together annually and will use an external Board evaluator every three years.
- The evaluation focuses on whether each Director continues to demonstrate commitment to their role and provides a valuable contribution to the Board during the year, taking into account time commitment, independence, conflicts and training needs.
- Following the evaluation, the Committee provides a recommendation to shareholders with respect to the annual re-election of Directors at the AGM.
- The Committee reviews Directors' fees, taking into account comparative data and makes a recommendation to the Board should a change in fees be considered appropriate.
- Any proposed changes to the remuneration policy for Directors is discussed and recommended to the Board to be proposed to shareholders for approval at the AGM.

Succession

- The Board's succession policy is that Directors' tenure, including that of the Chairman, will be for no longer than nine years, except in exceptional circumstances and that each Director will be subject to annual re-election at AGMs.
- The Committee reviews the Board's current and future succession requirements at least annually. Should any need be identified, the Committee will initiate the selection process.
- The Committee oversees the handover process for retiring Directors and the induction process for new Directors.

Application during the year

Selection and induction

- In accordance with the Board's succession planning, and to continue to ensure the Board retains appropriate experience, expertise and diversity, the Committee discussed the appointment of a new non-executive Director, having regard to the current composition of the Board, diversity and efficacy.
- A job specification was agreed for the role.
- A number of independent search firms were considered to assist with the recruitment and Longwater was engaged to lead the process. Longwater has no connections with the Company or any of the Directors.
- The selection process is currently underway and it is expected to make an announcement in respect of the appointment of a new non-executive Director in due course.

Board evaluation and Directors' fees

- The annual Board evaluation, including evaluation of the Committees was undertaken during the financial year. The evaluation was externally facilitated and conducted by an independent third party, Lintstock, through the completion of questionnaires.
- The Committee also reviewed each Director's time commitment and independence by reviewing a complete list of appointments, including pro bono not for profit roles, to ensure that each Director remained free from conflict and had sufficient time available to discharge each of their duties effectively. The SID led the review of these matters in respect of the Chairman.
- The Committee considered each Director's contributions, and noted that in addition to extensive experience as professionals and non-executive Directors, each Director had valuable skills and experience, as detailed in their biographies on pages 48 and 49.
- All Directors were considered to be independent in character and judgement.
- Based on its assessment, the Committee provided individual recommendations for each Director's re-election.
- The Committee reviewed Directors' fees, using external benchmarking, and recommended an increase in Directors fees, as detailed in the Directors' Remuneration Report.

Succession

- The Committee reviewed the succession policy and agreed it was still fit for purpose.
- James Williams was appointed as Chairman on 3 February 2021 and it was announced that he would serve a maximum of five years in that role and, as reported in the Chairman's Statement, he will retire from the Board following the AGM in 2026. The Chairman has brought continuity and experience to the position having served on the Board since 2014. In light of the Chairman now having served for over nine years as a non-executive Director, his tenure and continued independence were reviewed by the Nomination Committee. The Nomination Committee subsequently concluded that it was appropriate that James Williams continue to serve as Chairman and, notwithstanding the length of tenure, he remains independent of the Manager in character and judgment. In forming this conclusion, the Nomination Committee recognised the Chairman's track record overseeing the Company through a challenging investment cycle which included the Covid pandemic and the negotiation of a reduction in the management fee, from 1 April 2023.

Recommendations made to, and approved by, the Board:

- That Keith Craig, following his retirement from the Board in January 2024 would be succeeded by Vivien Gould as Chair of the Nomination Committee.
- That recruitment firm, Longwater, be engaged to lead the process to identify a new non-executive Director.
- That Director's fees would be increased with effect from 1 October 2024 and further details are provided in the Directors' Remuneration Report.
- That all Directors remain independent, continue to demonstrate commitment to their roles, provide a valuable contribution to the deliberations of the Board, contribute towards the Company's long-term, sustainable success, and remain free from conflicts with the Company and its Directors, so should all be recommended for re-election by shareholders at the AGM.

Directors' Remuneration Report

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 30 September 2024. This Report has been prepared in accordance with Sections 420-422 of the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The law requires the Company's auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in their report on pages 66 to 70.

The following remuneration policy is currently in force and is subject to a binding vote every three years. Shareholders approved the Directors' remuneration policy at the 2024 AGM and the current policy provisions will apply until the policy is next considered by shareholders at the AGM in 2027 unless any changes are proposed to the policy in the meantime.

The Directors' annual report on remuneration is subject to an annual advisory vote. An ordinary resolution to approve this report will be put to shareholders at the forthcoming AGM.

At the AGM held on 31 January 2024 when the remuneration policy was last voted on by shareholders, 99.85% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the Directors' remuneration policy were in favour, while 0.15% were against. 55,316 votes were withheld.

At the AGM held on 31 January 2024, 99.88% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the Directors' remuneration report for the year ended 30 September 2023 were in favour, while 0.12% were against and 51,054 votes were withheld.

Directors' remuneration policy

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

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

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

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

Implementation of policy

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

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

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

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

The component parts of the Directors' remuneration are set out in the table on page 60:

Directors' annual report on remuneration

This report sets out how the remuneration policy was implemented during the year ended 30 September 2024.

Remuneration report for the year ended 30 September 2024

Fees paid to Directors

The following amounts were paid by the Company to Directors for their services in respect of the year ended 30 September 2024 and the preceding financial year. Directors' remuneration is all fixed; they do not receive any variable remuneration. The performance of the Company over the financial year is presented on page 5.

	Fees		Taxable benefits[1]		Total		Change in annual fee over years ended 30 September			
Director	2024 £	2023 £	2024 £	2023 £	2024 £	2023 £	2024 %	2023 %	2022 %	2021 %
James Williams (Chairman)	49,000	45,000	4,138	3,093	53,138	48,093	10.5	5.7	13.3	31.5
Keith Craig[2]	12,000	33,000	374	762	12,374	33,762	n/a	0.7	9.8	1.5
Julia Goh[3]	44,000	40,000	1,415	2,043	45,415	42,043	8.0	15.1	n/a	n/a
Vivien Gould	36,000	33,000	3,498	3,258	39,498	36,258	8.9	4.9	8.3	(1.9)
Martin Porter[4]	38,667	33,000	374	763	39,041	33,763	15.6	0.8	10.7	0.5
Rupert Hogg[5]	36,000	13,750	657	439	36,657	14,189	n/a	n/a	n/a	n/a
	215,667	**197,750**	**10,456**	**10,358**	**226,123**	**208,108**				

[1] Comprise amounts reimbursed for expenses incurred in carrying out business for the Company, and which have been grossed up to include PAYE and NI contributions.
[2] Retired from the Board on 31 January 2024.
[3] Appointed as a Director on 25 October 2021.
[4] With effect from 31 January 2024 an additional fee of £4,000 became payable in respect of the role of SID.
[5] Appointed as a Director on 1 May 2023.

The information in the above table has been audited.

Consideration of matters relating to Directors' remuneration

Directors' remuneration was last reviewed by the Board in September 2024. The members of the Board at the time that remuneration levels were considered were as set out on pages 48 and 49. Although no external advice was sought in considering the levels of Directors' fees, information on fees paid to Directors of investment trusts managed by Schroders and peer group companies provided by the Manager and corporate broker was taken into consideration together with independent third party research.

Following annual review, the Board agreed that the following Directors' fees would be paid with effect from 1 October 2024:

Component	£	Purpose and operation
Non-executive Director base fee	37,000	To reflect the time and commitment required and the responsibilities of the role.
Additional fees:		
Chairman	14,000	For the additional time, commitment and responsibility required by the role.
SID	4,000	For the additional time required to support the Chairman and undertake other duties as SID.
Chair of the Audit and Risk Committee	8,000	For the additional time required as Committee Chair.
Additional fee	Variable	In the event of a complex or large project, an additional fee to fairly compensate for the additional time and commitment required.
Expenses	Variable	Reimbursement of expenses properly incurred by each Director in attending meetings and/or otherwise in the performance of their duties.

The Board will continue to review fee levels on an annual basis.

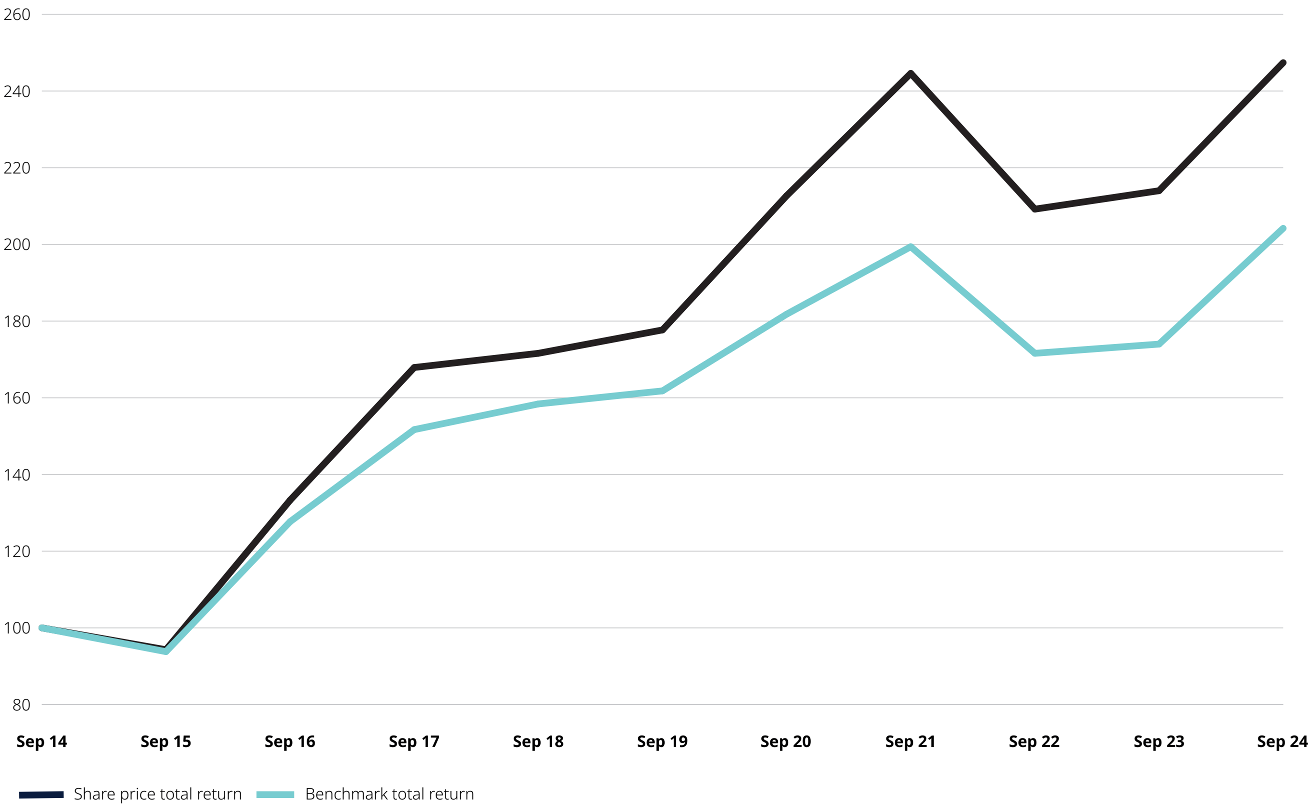
Expenditure by the Company on remuneration and distributions to shareholders

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

	Year ended 30 September 2024	Year ended 30 September 2023	Change
	£000	£000	%
Remuneration payable to Directors	226	208	8.7
Distributions paid to shareholders			
– Dividends paid during the year	18,371	19,030	
– Share buy backs	41,494	29,775	
Total distributions paid to shareholders	**59,865**	**48,805**	**22.7**

The information in the above table has been audited.

Share price total return



Source: Morningstar, ten year performance of the share price total return versus the MSCI All Countries Asia ex Japan Index, with net dividends reinvested, in sterling terms, rebased to 100 at 30 September 2014.

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

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

Directors' share interests

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

	Ordinary shares of 10p each 30 September 2024	Ordinary shares of 10p each 30 September 2023
James Williams	20,000	20,000
Keith Craig[1]	n/a	12,581
Julia Goh	15,000	15,000
Vivien Gould	5,000	5,000
Rupert Hogg[2]	5,012	—
Martin Porter	20,000	20,000

1 Retired as a Director on 31 January 2024.
2 Appointed as a Director on 1 May 2023.

The information in the above table has been audited. Following the year end, there have been no changes.

James Williams
Chairman

2 December 2024

Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the web pages dedicated to the Company. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement

Each of the Directors, whose names and functions are listed on pages 48 and 49, confirm that to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal and emerging risks that it faces; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

James Williams
Chairman

2 December 2024

Seoul, South Korea.

Section 5: Financial Statements

Independent Auditor's Report

to the Members of Schroder AsiaPacific Fund plc

Opinion

We have audited the financial statements of Schroder AsiaPacific Fund plc ("the Company") for the year ended 30 September 2024 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as of 30 September 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Independence

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

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

Conclusions relating to going concern

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

- Confirmation of our understanding of the Company's going concern assessment process and engagement with the Directors and the Company Secretary to determine if all key factors were considered in their assessment.
- Inspection of the Directors' assessment of going concern, including the revenue forecast, for the period to 31 December 2025 which is at least 12 months from the date these financial statements are authorised for issue. In preparing the revenue forecast, the Company has concluded that it is able to continue to meet its ongoing costs as they fall due.
- Review of the factors and assumptions, including the impact of the current economic environment and other significant events that could give rise to market volatility, as applied to the revenue forecast and the liquidity assessment of the investments. We considered the appropriateness of the methods used to calculate the revenue forecast and the liquidity assessment and determined, through testing of the methodology and calculations, that the methods, inputs and assumptions utilised are appropriate to be able to make an assessment for the Company.
- Consideration of the mitigating factors included in the revenue forecast that are within the control of the Company. We reviewed the Company's assessment of the liquidity of investments held and evaluated the Company's ability to sell those investments in order to cover working capital requirements should revenue decline significantly.
- In relation to the Company's borrowing arrangements, we inspected the Directors' assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Directors and performed reverse stress testing in order to identify what factors would lead to the Company breaching the financial covenants.
- Review of the Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period to 31 December 2025. In relation to the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

Overview of our audit approach

Key audit matters	• Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement. • Risk of incorrect valuation or ownership of the investment portfolio.
Materiality	• Overall materiality of £9.19 million which represents 1% of shareholders' funds.

An overview of the scope of our audit

Tailoring the scope

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

Climate change

There has been increasing interest from stakeholders as to how climate change will impact companies. The Company has determined that the most significant future impacts from climate change could affect the Company's investments and the overall investment process. This is explained on page 44 in the principal and emerging risks and uncertainties which form part of the "Other information," rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

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

Key audit matters

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

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Risk of incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital items in the Income Statement (refer to the Audit and Risk Committee Report set out on page 53 and the accounting policy set out on page 74). The total income for the year to 30 September 2024 was £24.41 million (2023: £24.17 million), consisting primarily of dividend income from listed equity investments. The Company received special dividends amounting to £0.58 million (2023: £1.17 million), of which £0.46 million were classified as revenue and £0.12 million were classified as capital (2023: £0.87 million classified as revenue and £0.30 million classified as capital). The investment income receivable by the Company during the year directly affects the Company's revenue return. There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, the Directors may be required to exercise judgement in determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We performed the following procedures:** We obtained an understanding of the Manager's and Administrator's processes and controls surrounding revenue recognition and classification of special dividends by performing walkthrough procedures. For all dividends received and accrued, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share, which was agreed to an independent data vendor. We also agreed all exchange rates to an external source where applicable and, for a sample of dividends received and accrued dividends, we agreed the amounts to bank statements. To test completeness of recorded income, we verified that dividends had been recorded for each investee company held during the year with reference to investee company announcements obtained from an independent data vendor. For all accrued dividends, we reviewed the investee Company announcements to assess whether the entitlement arose prior to 30 September 2024. For all investments held during the year, we compared the type of dividends paid with reference to an external data source to identify those which were 'special'. We confirmed seven special dividends, amounting to £0.58 million, were received during the year. We tested a sample of three special dividends, by assessing the appropriateness of classification by reviewing the underlying rationale of the distribution.	The results of our procedures identified no material misstatements in relation to the risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital items in the Income Statement.

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Risk of Incorrect valuation or ownership of the investment portfolio (refer to the Audit and Risk Committee Report set out on page 53 and the accounting policy set out on page 74). The valuation of the investment portfolio at 30 September 2024 was £955.06 million (2023: £874.53 million) consisting of listed equity investments. The valuation of investments held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or failure to maintain proper legal title of the investments held by the Company, could have a significant impact on the portfolio valuation and the return generated for shareholders. The fair value of listed investments is determined using quoted market bid prices at close of business on the last business day of the year.	**We performed the following procedures:** We obtained an understanding of the Administrator's processes and controls surrounding investment title and the pricing of listed equity investments by performing walkthrough procedures. For 100% of investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year end. We reviewed the prices for all investments in the portfolio to identify prices that have not changed within five business days from year end to verify whether the listed price is a valid fair value. Our testing identified no prices which had not changed, and no stale prices were identified. We agreed the Company's investments to the independent confirmations received directly from the Company's Custodian and Depositary as at 30 September 2024.	The results of our procedures identified no material misstatements in relation to the risk of incorrect valuation or ownership of the investment portfolio.

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

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be £9.19 million (2023: £8.51 million), which is 1% (2023: 1%) of shareholders' funds. We believe that shareholders' funds provide us with materiality aligned to the key measure of the Company's performance.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely £6.89 million (2023: £6.38 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates that a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for investment trusts, we have also applied a separate testing threshold for the revenue column of the Income Statement of £1.05 million (2023: £1.04 million), being 5% of the net revenue return before taxation.

Reporting threshold

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

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.46 million (2023: £0.43 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

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

Corporate Governance Statement

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

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

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 63;
- Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 63;
- Director's statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on page 63;
- Directors' statement on fair, balanced and understandable set out on page 63;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 41;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 41; and
- The section describing the work of the audit and risk committee set out on page 53.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 63, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, the UK Listing Rules, UK Corporate Governance Code, the Association of Investment Companies' Code and Statement of Recommended Practice, Section 1158 of the Corporation Tax Act 2010 and The Companies (Miscellaneous Reporting) Regulations 2018.

- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary, review of board minutes and the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital items in the Income Statement. Further discussion of our approach is set out in the key audit matter above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the Company Secretary's reporting to the Directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation from the Audit and Risk committee, we were appointed by the Company on 26 July 2019 to audit the financial statements for the year ending 30 September 2019 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is six years, covering the years ending 30 September 2019 to 30 September 2024.
- The audit opinion is consistent with the additional report to the Audit and Risk committee.

Use of our report

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

Denise Davidson

(Senior statutory auditor)

for and on behalf of Ernst & Young LLP,
Statutory Auditor London

2 December 2024

Income Statement

for the year ended 30 September 2024

	Note	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Gains on investments held at fair value through profit or loss	2	–	117,282	117,282	–	9,601	9,601
Net foreign currency gains		–	2,917	2,917	–	293	293
Income from investments	3	24,292	117	24,409	23,863	304	24,167
Other interest receivable and similar income	3	264	–	264	153	–	153
Gross return		**24,556**	**120,316**	**144,872**	**24,016**	**10,198**	**34,214**
Investment management fee	4	(1,526)	(4,576)	(6,102)	(1,552)	(4,656)	(6,208)
Administrative expenses	5	(1,471)	–	(1,471)	(1,409)	–	(1,409)
Net return before finance costs and taxation		**21,559**	**115,740**	**137,299**	**21,055**	**5,542**	**26,597**
Finance costs	6	(467)	(1,400)	(1,867)	(231)	(690)	(921)
Net return before taxation		**21,092**	**114,340**	**135,432**	**20,824**	**4,852**	**25,676**
Taxation	7	(1,777)	(5,916)	(7,693)	(1,834)	(1,939)	(3,773)
Net return after taxation		**19,315**	**108,424**	**127,739**	**18,990**	**2,913**	**21,903**
Return per share (pence)	8	**12.79**	**71.82**	**84.61**	**12.06**	**1.85**	**13.91**

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

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

The notes on pages 74 to 86 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 30 September 2024

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2022		16,080	100,956	4,064	8,704	726,968	21,415	878,187
Repurchase and cancellation of the Company's own shares		(600)	–	600	–	(29,775)	–	(29,775)
Net return after taxation		–	–	–	–	2,913	18,990	21,903
Dividend paid in the year	9	–	–	–	–	–	(19,030)	(19,030)
At 30 September 2023		**15,480**	**100,956**	**4,664**	**8,704**	**700,106**	**21,375**	**851,285**
Repurchase and cancellation of the Company's own shares		(821)	–	821	–	(41,494)	–	(41,494)
Net return after taxation		–	–	–	–	108,424	19,315	127,739
Dividend paid in the year	9	–	–	–	–	–	(18,371)	(18,371)
At 30 September 2024		**14,659**	**100,956**	**5,485**	**8,704**	**767,036**	**22,319**	**919,159**

The notes on pages 74 to 86 form an integral part of these financial statements.

Statement of Financial Position

at 30 September 2024

	Note	2024 £'000	2023 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	955,057	874,534
Current assets			
Debtors	11	2,550	2,812
Cash and cash equivalents	11	5,803	6,785
		8,353	**9,597**
Current liabilities			
Creditors: amounts falling due within one year	12	(34,901)	(28,068)
Net current liabilities		**(26,548)**	**(18,471)**
Total assets less current liabilities		**928,509**	**856,063**
Non current liabilities			
Deferred taxation	13	(9,350)	(4,778)
Net assets		**919,159**	**851,285**
Capital and reserves			
Called-up share capital	14	14,659	15,480
Share premium	15	100,956	100,956
Capital redemption reserve	15	5,485	4,664
Warrant exercise reserve	15	8,704	8,704
Capital reserves	15	767,036	700,106
Revenue reserve	15	22,319	21,375
Total equity shareholders' funds		**919,159**	**851,285**
Net asset value per share (pence)	16	**627.02**	**549.92**

These financial statements were approved and authorised for issue by the Board of Directors on 2 December 2024 and signed on its behalf by:

James Williams
Chairman

The notes on pages 74 to 86 form an integral part of these financial statements.

Registered in England and Wales as a public company limited by shares Company registration number: 03104981

Notes to the Financial Statements

for the year ended 30 September 2024

1. Accounting policies

(a) Basis of accounting

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

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

The financial statements have been prepared on a going concern basis under the historical cost convention with the exception of investments which are measured at fair value through profit or loss. The Directors believe that the Company has adequate resources to continue operating to 31 December 2025, which is at least 12 months from the date of approval of these financial statements. In forming this opinion, the Directors have taken into consideration: the controls and monitoring processes in place; the Company's low level of debt and other payables; the low level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; and that the Company's assets comprise cash and readily realisable securities quoted in active markets. In forming this opinion, the Directors have also considered any potential impact of climate change on the viability of the Company. Further details of Directors' considerations regarding this are given in the Chairman's Statement, Investment Managers' Review, Going Concern Statement, Viability Statement and under the Risk Report heading on page 41.

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

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

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

The accounting policies applied to these financial statements are consistent with those applied in the financial statements for the year ended 30 September 2023.

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

(b) Valuation of investments

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

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

(c) Accounting for reserves

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

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

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

(d) Income

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

Overseas dividends are included gross of any withholding tax.

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

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

(e) Expenses

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

- The management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.
- Expenses incidental to the purchase or sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transaction costs are given in note 10 on page 78.

(f) Finance costs

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

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

(g) Financial instruments

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

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

Bank loans are classified as financial liabilities at amortised cost. They are initially measured at the proceeds received, net of direct issue costs, and subsequently measured at amortised cost using the effective interest method.

(h) Taxation

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

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

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

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

(i) Value added tax (VAT)

Expenses are disclosed inclusive of any related irrecoverable VAT.

(j) Foreign currency

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

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

(k) Dividends payable

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

(l) Repurchases of shares for cancellation

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

2. Gains on investments held at fair value through profit or loss

	2024 £'000	2023 £'000
(Losses)/gains on sales of investments based on historic cost	(6,055)	11,251
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	(4,436)	(8,012)
(Losses)/gains on sales of investments based on the carrying value at the previous balance sheet date	**(10,491)**	**3,239**
Unrealised gains recognised in respect of investments continuing to be held	127,773	6,362
Gains on investments held at fair value through profit or loss	**117,282**	**9,601**

3. Income

	2024 £'000	2023 £'000
Income from investments		
Overseas dividends	23,399	22,761
UK dividends	893	1,102
	24,292	**23,863**
Other interest receivable and similar income		
Deposit interest	191	153
Other income	73	–
	264	**24,016**
Capital		
Special dividend allocated to capital	117	304
Total income	**24,673**	**24,320**

4. Investment management fee

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Management fee	**1,526**	**4,576**	**6,102**	**1,552**	**4,656**	**6,208**

The basis for calculating the investment management fee is set out in the Report of the Directors on page 50.

5. Administrative expenses

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Administration expenses	1,052	–	1,052	1,010	–	1,010
Directors' fees[1]	216	–	216	198	–	198
Company secretarial fee	150	–	150	150	–	150
Auditor's remuneration for audit services	53	–	53	51	–	51
	1,471	**–**	**1,471**	**1,409**	**–**	**1,409**

[1] Full details are given in the remuneration report on pages 59 to 62.

6. Finance costs

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Interest on bank loans and overdrafts	**467**	**1,400**	**1,867**	**231**	**690**	**921**

7. Taxation

(a) Analysis of tax charge for the year

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Irrecoverable overseas withholding tax	1,777	–	1,777	1,834	–	1,834
Overseas capital gains tax	–	5,916	5,916	–	1,939	1,939
Taxation for the year	**1,777**	**5,916**	**7,693**	**1,834**	**1,939**	**3,773**

The Company has no corporation tax liability for the year ended 30 September 2024 (2023: nil). The provision for overseas capital gains tax pertains to the deferred tax liability on the unrealised gain on Indian Securities.

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2023: lower) than the Company's applicable rate of corporation tax for the year of 25% (2023: 22%).

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

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Net return/(loss) before taxation	21,092	114,340	135,432	20,824	4,852	25,676
Net return/(loss) before taxation multiplied by the Company's applicable rate of corporation tax for the year of 25% (2023: 22%)	5,273	28,585	33,858	4,581	1,068	5,649
Effects of:						
Capital returns on investments	–	(30,050)	(30,050)	–	(2,177)	(2,177)
Income not chargeable to corporation tax	(6,073)	(29)	(6,102)	(5,250)	(67)	(5,317)
Irrecoverable overseas withholding tax	1,777	–	1,777	1,834	–	1,834
Provision for overseas capital gains tax	–	5,916	5,916	–	1,939	1,939
Unrelieved expenses for the period	800	1,494	2,294	669	1,176	1,845
Taxation for the year	**1,777**	**5,916**	**7,693**	**1,834**	**1,939**	**3,773**

(c) Deferred tax

The Company has an unrecognised deferred tax asset of £22,206,000 (2023: £19,912,000) based on a main rate of corporation tax of 25% (2023: 25%). In its 2021 budget, the UK government announced that the main rate of corporation tax would increase to 25% for the fiscal year beginning on 1 April 2023.

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

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

8. Return per share

	2024 £'000	2023 £'000
Revenue return	19,315	18,990
Capital return	108,424	2,913
Total return	**127,739**	**21,903**
Weighted average number of shares in issue during the year	150,976,540	157,474,894
Revenue return per share (pence)	12.79	12.06
Capital return per share (pence)	71.82	1.85
Total return per share (pence)	**84.61**	**13.91**

9. Dividends

Dividends paid and proposed

	2024 £'000	2023 £'000
2023 final dividend of 12.00p (2022: 12.00p) paid out of revenue profits	**18,371**	**19,030**

	2024 £'000	2023 £'000
2024 final dividend proposed of 12.50p (2023: 12.00p) to be paid out of revenue profits	**18,324**	**18,416**

The 2023 final dividend amounted to £18,416,000. However the amount actually paid was £18,371,000, as shares were repurchased and cancelled after the accounting date, but prior to the dividend record date.

The proposed final dividend amounting to £18,324,000 (2023: £18,416,000) is the amount used for the basis of determining whether the Company has satisfied the distribution requirements of Section 1158 of the Corporation Tax Act 2010. The revenue available for distribution for the year is £19,315,000 (2023: £18,990,000).

10. Investments held at fair value through profit or loss

	2024 £'000	2023 £'000
Opening book cost	751,478	758,095
Opening investment holding gains	123,056	124,706
Opening fair value	**874,534**	**882,801**
Purchases at cost	166,344	168,987
Sales proceeds	(203,103)	(186,855)
Gains/(losses) on investments held at fair value	117,282	9,601
Closing fair value	**955,057**	**874,534**
Closing book cost	708,664	751,478
Closing investment holding gains	246,393	123,056
Closing fair value	**955,057**	**874,534**

Sales proceeds amounting to £203,103,000 (2023: £186,855,000) were receivable from disposals of investments in the year. The book cost of these investments when they were purchased was £209,159,000 (2023: £175,604,000). These investments have been revalued over time and until they were sold any unrealised gains and losses were included in the fair value of the investments.

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

	2024 £'000	2023 £'000
On acquisitions	172	282
On disposals	381	332
	553	**614**

11. Current assets

Debtors

	2024 £'000	2023 £'000
Securities sold awaiting settlement	916	893
Dividends and interest receivable	1,361	1,648
Taxation recoverable	235	236
Other debtors	38	35
	2,550	**2,812**

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

Cash at bank and in hand

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

12. Current liabilities

Creditors: amounts falling due within one year	2024 £'000	2023 £'000
Bank loan	29,821	24,579
Repurchase of the Company's own shares into treasury awaiting settlement	825	73
Securities purchased awaiting settlement	2,111	1,349
Other creditors and accruals	2,144	2,067
	34,901	**28,068**

The bank loan comprises US$40 million drawn down on the Company's £75 million multicurrency revolving credit facility with Bank of Nova Scotia, London Branch. The facility was secured from 3 July 2024, the amendment and renewal are subject to covenants and restrictions which are customary for a facility of this nature and all of these have been complied with. Further details of the facility are given in note 20(a)(ii) on page 83.

The bank loan at the prior year end comprised US$30 million drawn down on the Company's previous £75 million multicurrency revolving credit facility with Bank of Nova Scotia, London Branch.

The Company has a £30 million overdraft facility with HSBC Bank plc, secured by a floating charge. The overdraft facility has not been drawn down in the current or prior year.

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

13. Deferred taxation

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

14. Called-up share capital

	2024 £'000	2023 £'000
Ordinary shares allotted, called up and fully paid:		
Ordinary shares of 10p each:		
Opening balance of 154,800,716 (2023: 154,800,716) shares	15,480	16,080
Repurchase and cancellation of 8,209,500 (2023: 6,000,000) shares	(821)	(600)
Closing balance of 146,591,216 (2023: 154,800,716) shares	**14,659**	**15,480**

During the year, the Company made market purchases of 8,209,500 of its own shares, nominal value £820,950, for cancellation, representing 5.3% of the shares outstanding at the beginning of the year. The total consideration paid for these shares amounted to £41,494,000. The reason for these purchases was to seek to manage the volatility of the share price discount to NAV per share and to provide a degree of liquidity to the market.

15. Reserves

	Capital & Reserves					
	Share premium[1] £'000	Capital redemption reserve[2] £'000	Warrant exercise reserve[34] £'000	Gains and losses on sales of investments[5] £'000	Investment holding gains and losses[6] £'000	Revenue reserve[7] £'000
At 30 September 2023	**100,956**	**4,664**	**8,704**	**581,370**	**118,736**	**21,375**
Losses on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	(10,491)	–	–
Net movement in investment holding gains and losses	–	–	–	–	127,773	–
Transfer on disposal of investments	–	–	–	4,436	(4,436)	–
Realised exchange gains on cash and short-term deposits	–	–	–	340	–	–
Exchange gains on the credit facility	–	–	–	–	2,577	–
Overseas capital gains tax	–	–	–	(703)	(5,213)	–
Special dividend allocated to capital	–	–	–	117	–	–
Management fee, administrative expenses and finance costs allocated to capital	–	–	–	(5,976)	–	–
Repurchase and cancellation of the Company's own shares	–	821	–	(41,494)	–	–
Dividend paid	–	–	–	–	–	(18,371)
Retained revenue for the year	–	–	–	–	–	19,315
At 30 September 2024	**100,956**	**5,485**	**8,704**	**527,599**	**239,437**	**22,319**

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

The Company's Articles of Association permit dividend distributions out of realised capital profits.

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

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

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

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

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

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

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

16. Net asset value per share

	2024 £'000	2023 £'000
Net assets attributable to Shareholders (£'000)	919,159	851,285
Shares in issue at the year end	146,591,216	154,800,716
Net asset value per share (pence)	**627.02**	**549.92**

17. Transactions with the Manager

Under the terms of the AIFM Agreement, the Manager is entitled to receive a management fee and a company secretarial fee. Details of the basis of the management fee calculation are given in the Directors' Report on page 50. Any investments in funds managed or advised by the Manager or any of its associated companies, are excluded from the assets used for the purpose of the calculation and therefore incur no fee. As at the year ended 30 September 2024, the Company held 11,471,124 shares in Schroder Asian Discovery Fund Class Z Accumulation GBP, with the market value of £14,500,000. During the year, the Company sold 1,567,762 shares and generated total proceed of £1,745,000 from the sales.

The management fee payable in respect of the year ended 30 September 2024 amounted to £6,102,000 (2023: £6,208,000), of which £1,590,000 (2023: £1,485,000) was outstanding at the year end. The company secretarial fee payable in respect of the year ended 30 September 2024 amounted to £150,000 (2023: £150,000), of which £38,000 (2023: £38,000) was outstanding at the year end.

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

18. Related party transactions

Details of the remuneration payable to Directors are given in the Directors' Remuneration Report on page 59 and details of Directors' shareholdings are given in the Directors' Remuneration Report on page 62. Details of transactions with the Manager are given in note 17 above. There have been no other transactions with related parties during the year (2023: nil).

19. Disclosures regarding financial instruments measured at fair value

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

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

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

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

Level 3 – valued using inputs that are unobservable.

Details of the Company's policy for valuing investments and derivative instruments are given in note 1(b) on page 74 and 1(g) on page 75.

At 30 September 2024, the Company's investment portfolio was categorised as follows:

	2024 Level 1 £'000	2024 Level 2 £'000	2024 Level 3 £'000	Total £'000
Investments in equities and equity linked securities	940,557	14,500	–	955,057
Total	**940,557**	**14,500**	**–**	**955,057**

	2023 Level 1 £'000	2023 Level 2 £'000	2023 Level 3 £'000	Total £'000
Investments in equities and equity linked securities	860,452	14,082	–	874,534
Total	**860,452**	**14,082**	**–**	**874,534**

Schroder Asian Discovery Fund Z Acc which is a daily priced collective investment fund previously included in Level 1, has been reallocated to Level 2. There have been no further transfers between Levels 1, 2 or 3 during the year (2023: nil).

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

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

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

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

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

(a) Market risk

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

(i) Currency risk

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

Management of currency risk

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

Foreign currency exposure

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

2024	Hong Kong Dollars £'000	US Dollars £'000	South Korean Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Chinese Yuan £'000	Other £'000	Total £'000
Current assets	**2,389**	**286**	**377**	**592**	**–**	**–**	**261**	**161**	**767**	**4,833**
Current liabilities										
Creditors: amounts falling due within one year	(2,111)	(29,953)	(57)	(41)	–	–	–	–	–	(32,162)
Foreign currency exposure on net monetary items	**278**	**(29,667)**	**320**	**551**	**–**	**–**	**261**	**161**	**767**	**(27,329)**
Investments held at fair value through profit or loss[1]	239,262	18,404	71,408	199,309	77,854	33,927	153,715	42,339	76,805	913,023
Total net foreign currency exposure	**239,540**	**(11,263)**	**71,728**	**199,860**	**77,854**	**33,927**	**153,976**	**42,500**	**77,572**	**885,694**

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

[1] Excluding any stocks priced in sterling.

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

Foreign currency sensitivity

The following tables illustrate the sensitivity of net profit for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The effect on capital return below is predominantly due to the change in net monetary liabilities and the effect on income return is predominantly due to change in dividends, or revenue items that were subject to foreign exchange rate movement. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each accounting date and assumes a 10% (2023: 10%) appreciation or depreciation in sterling against all the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

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

Income Statement – return after taxation	2024 £'000	2023 £'000
Revenue return	2,116	2,070
Capital return	(3,453)	(2,931)
Total return after taxation	**(1,337)**	**(861)**
Net assets	**(1,337)**	**(861)**

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

Income Statement – return after taxation	2024 £'000	2023 £'000
Revenue return	(2,116)	(2,070)
Capital return	3,453	2,931
Total return after taxation	**1,337**	**861**
Net assets	**1,337**	**861**

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

(ii) Interest rate risk

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

Management of interest rate risk

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

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

Interest rate exposure

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

Exposure to floating interest rates:	2024 £'000	2023 £'000
Cash and cash equivalents	5,803	6,785
Creditors: amounts falling due within one year – borrowings on the credit facility	(29,821)	(24,579)
Net exposure	**(24,018)**	**(17,794)**

Sterling cash deposits at call earn interest at floating rates based on Sterling Overnight Index Average (SONIA) rates, (2023: SONIA).

The Company amended and renewed its £75 million multicurrency revolving credit facility with Bank of Nova Scotia, London Branch, effective from 3 July 2024. Interest is payable at the aggregate of the compounded Risk Free Rate (RFR) for the relevant currency and loan period, plus a margin. Amounts are normally drawn down on the facility for a one month period, at the end of which it may be rolled over or adjusted. At 30 September 2024, the Company had drawn down US$40 million (£29.8 million) for a one month period, at an interest rate of 6.40% per annum.

At the prior year end, the Company had drawn down US$30 million (£24.6 million) on the preceding facility with Bank of Nova Scotia, London Branch. Further details are given in note 12.

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

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

	2024 £'000	2023 £'000
Maximum debit interest rate exposure during the year – debt	(27,981)	(17,803)
Maximum credit interest rate exposure during the year – net cash	3,671	10,933

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.5% (2023: 1.5%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the accounting date with all other variables held constant.

Income statement – return after taxation	2024 1.5% increase in rate £'000	2024 1.5% decrease in rate £'000	2023 1.5% increase in rate £'000	2023 1.5% decrease in rate £'000
Revenue return	(25)	25	10	(10)
Capital return	(335)	335	(277)	277
Total return after taxation	**(360)**	**360**	**(267)**	**267**
Net assets	**(360)**	**360**	**(267)**	**267**

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

(iii) Market price risk

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

Management of market price risk

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

Market price risk exposure

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

	2024 £'000	2023 £'000
Investments held at fair value through profit or loss	955,057	874,534

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

Concentration of exposure to market price risk
An analysis of the Company's investments is given on page 26. This shows that the portfolio comprises investments trading in Asian countries. Accordingly there is a concentration of exposure to that region.

Market price risk sensitivity
The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 25% (2023: 25%) in the fair values of the Company's investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's investments and adjusting for the change in the management fee, but with all other variables held constant.

Income statement – return after taxation	2024 25% increase in fair value £'000	2024 25% decrease in fair value £'000	2023 25% increase in fair value £'000	2023 25% decrease in fair value £'000
Revenue return	(358)	358	(328)	328
Capital return	237,690	(237,690)	217,650	(217,650)
Total return after taxation and net assets	**237,332**	**(237,332)**	**217,332**	**(217,332)**
Percentage change in net asset value	**25.8%**	**(25.8%)**	**25.5%**	**(25.5%)**

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

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

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

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

Creditors: amounts falling due within one year	Three months or less 2024 £'000	Three months or less 2023 £'000
Bank loan – including interest	29,861	24,613
Repurchase of the Company's own shares into treasury awaiting settlement	825	73
Securities purchased awaiting settlement	2,111	1,349
Other creditors and accruals	2,144	2,067
	34,941	**28,102**

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

Management of credit risk
This risk is not significant and is managed as follows:

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

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

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

Credit risk exposure

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

(d) Fair values of financial assets and financial liabilities

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

21. Capital management policies and procedures

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

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

	2024 £'000	2023 £'000
Debt		
Bank loan	29,821	24,579
Equity		
Called-up share capital	14,659	15,480
Reserves	904,500	835,805
	919,159	**851,285**
Total debt and equity	**948,980**	**875,864**

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

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

	2024 £'000	2023 £'000
Borrowings used for investment purposes, less cash	24,018	17,794
Net assets	919,159	851,285
Gearing (%)	2.6	2.1

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

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

Section 6: Other Information (Unaudited)

Tra Linh, Cao Bang province, Vietnam

Annual General Meeting – Recommendations

The Annual General Meeting (AGM) of the Company will be held on Wednesday, 29 January 2025 at 12.00 noon, at 1 London Wall Place, London, EC2Y 5AU. The formal Notice of Meeting is set out on page 89.

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

Ordinary business

Resolutions 1 to 11 are all ordinary resolutions. Resolution 1 is a required resolution. Resolution 2 invites shareholders to approve the final dividend and resolution 3 concerns the Directors' Remuneration Report, on pages 59 to 62.

Resolutions 4 to 8 invite shareholders to re-elect each of the Directors for another year, following the recommendations of the Nomination Committee, set out on pages 57 and 58 (their biographies are set out on pages 48 and 49). Resolutions 9 and 10 concern the re-appointment and remuneration of the Company's auditor, discussed in the Audit and Risk Committee Report on pages 53 to 55.

Special business

Resolution 11 – Directors' authority to allot shares (ordinary resolution) and resolution 12 – power to disapply pre-emption rights (special resolution)

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

Appropriate resolutions will be proposed at the forthcoming AGM and are set out in full in the Notice of AGM. An ordinary resolution will be proposed to authorise the Directors to allot shares up to a maximum aggregate nominal amount of £1,432,162 (being 10% of the issued share capital (excluding any shares held in treasury) as at the date of the Notice of the AGM). A special resolution will also be proposed to give the Directors authority to allot securities for cash on a non-pre-emptive basis up to a maximum aggregate nominal amount of £1,432,162 (being 10% of the Company's issued share capital (excluding any shares held in treasury) as at the date of the Notice of the AGM). This authority includes shares that the Company sells or transfers that have been held in treasury. The Board has established guidelines for treasury shares and will only reissue shares held in treasury at a price equal to or greater than the Company's net asset value (inclusive of current year income) plus any applicable costs.

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

If approved, both of these authorities will expire at the conclusion of the AGM in 2026 unless renewed, varied or revoked earlier.

Resolution 13: Authority to make market purchases of the Company's own shares (special resolution)

At the AGM held on 31 January 2024, the Company was granted authority to make market purchases of up to 23,004,509 ordinary shares of 10p each for cancellation or holding in treasury. 9,622,000 shares have been bought back and cancelled under this authority and the Company therefore has remaining authority to purchase up to 13,382,509 ordinary shares. This authority will expire at the forthcoming AGM.

The Directors believe it is in the best interests of the Company and its shareholders to have a general authority for the Company to buy back its ordinary shares in the market as they keep under review the share price discount to net asset value and the purchase of ordinary shares. A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the ordinary shares in issue as at the date of the Notice of the AGM. The Directors will exercise this authority only if the Directors consider that any purchase would be for the benefit of the Company and its shareholders, taking into account relevant factors and circumstances at the time. Any shares so purchased would be cancelled or held in treasury for potential reissue. If renewed, the authority to be given at the 2025 AGM will lapse at the conclusion of the AGM in 2026 unless renewed, varied or revoked earlier.

Resolution 14: notice period for general meetings (special resolution)

Resolution 14 set out in the Notice of AGM is a special resolution and will, if passed, allow the Company to hold general meetings (other than annual general meetings) on a minimum notice period of 14 clear days, rather than 21 clear days as required by the Companies Act 2006. The approval will be effective until the Company's next AGM to be held in 2026. The Directors will only call general meetings on 14 clear days' notice when they consider it to be in the best interests of the Company's shareholders and will only do so if the Company offers facilities for all shareholders to vote by electronic means and when the matter needs to be dealt with expediently.

Recommendations

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

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (AGM) of the Company will be held on Wednesday, 29 January 2025 at 12.00 noon at 1 London Wall Place, London EC2Y 5AU to consider the following resolutions of which resolutions 1 to 11 will be proposed as ordinary resolutions and resolutions 12, 13 and 14 will be proposed as special resolutions:

Ordinary business

1. To receive the Report of the Directors and the audited financial statements for the year ended 30 September 2024.
2. To approve a final dividend of 12.50 pence per share for the financial year ended 30 September 2024.
3. To approve the Directors' Remuneration Report for the year ended 30 September 2024.
4. To re-elect Julia Goh as a Director of the Company.
5. To re-elect Vivien Gould as a Director of the Company.
6. To re-elect Rupert Hogg as a Director of the Company.
7. To re-elect Martin Porter as a Director of the Company.
8. To re-elect James Williams as a Director of the Company.
9. To re-appoint Ernst & Young LLP as auditor to the Company until the conclusion of the next Annual General Meeting.
10. To authorise the Directors to determine the remuneration of Ernst & Young LLP as auditor to the Company.

Special business

11. To consider, and if thought fit, pass the following resolution as an ordinary resolution:

    "THAT the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 551 of the Act) up to an aggregate nominal amount of £1,432,162 (being 10% of the issued ordinary share capital at the date of this Notice) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company, but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Board may allot relevant securities in pursuance of that offer or agreement."

12. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "THAT, subject to the passing of resolution 11 set out above, the Directors be and are hereby empowered, pursuant to Section 571 of the Act, to allot equity securities (including any shares held in treasury) (as defined in Section 560(1) of the Act) pursuant to the authority given in accordance with Section 551 of the Act by the said resolution 11 and/or where such allotment constitutes an allotment of equity securities by virtue of Section 560(2) of the Act as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,432,162 (representing 10% of the aggregate nominal amount of the share capital in issue at the date of this Notice); and provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry."

13. To consider and, if thought fit, to pass the following resolution as a special resolution:

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

    (a) the maximum number of Shares which may be purchased is 21,468,110, representing 14.99% of the Company's issued ordinary share capital as at the date of this Notice;

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

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

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

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

    (d) this authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2026 (unless previously renewed, varied or revoked by the Company prior to such date);

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

    (f) any Shares so purchased will be cancelled or held in treasury for potential reissue."

14. To consider and, if thought fit, to pass the following resolution as a special resolution:

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

By order of the Board

For and on behalf of

Schroder Investment Management Limited

2 December 2024

Registered Office:
1 London Wall Place,
London EC2Y 5AU
Registered Number: 03104981

Explanatory Notes to the Notice of Meeting

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

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

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

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

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

   A proxy form must be signed and dated by the shareholder or his or her attorney duly authorised in writing. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder and for this purpose seniority will be determined by the order in which the names appear on the Register of Members in respect of the joint holding. To be valid, proxy form(s) must be completed and returned to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in the enclosed envelope together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially, to arrive no later than 48 hours before the time fixed for the meeting, or an adjourned meeting.

   It is possible for you to submit your proxy votes online by going to Equiniti's Shareview website, www.shareview.co.uk, and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to www.shareview.co.uk and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes. Please note that to be valid, your proxy instructions must be received by Equiniti no later than 12.00 noon on 27 January 2025. If you have any difficulties with online voting, you should contact the shareholder helpline on +44 (0)371 032 0641.

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

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

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

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

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

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of members of the Company at 6.30 p.m. on 27 January 2025, or 6.30 p.m. two days prior to the date of an adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 6.30 p.m. on 27 January 2025 shall be disregarded in determining the right of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. The CREST manual can be viewed at www.euroclear.com. A CREST message appointing a proxy (a "CREST proxy instruction") regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction previously given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 12:00 noon on 27 January 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

5. Copies of the Articles of Association, terms of appointment of the non-executive Directors and a statement of all transactions of each Director and of his family interests in the shares of the Company, will be available for inspection by any member of the Company at the registered office of the Company during normal business hours on any weekday (English public holidays excepted) and at the AGM by any attendee, for at least 15 minutes prior to, and during, the AGM. None of the Directors has a contract of service with the Company.
6. The biographies of the Directors offering themselves for re-election are set out on pages 48 and 49 of the Company's Annual Report and Financial Statements for the year ended 30 September 2024.
7. As at 2 December 2024, 143,216,216 ordinary shares of 10 pence each were in issue (no shares were held in treasury). Therefore the total number of voting rights of the Company as at 2 December 2024 was 143,216,216.
8. A copy of this Notice of Meeting, which includes details of shareholder voting rights, together with any other information as required under Section 311A of the Companies Act 2006, is available from the web pages dedicated to the Company: www.schroders.co.uk/asiapacific.
9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
10. Members satisfying the thresholds in Section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:
    (a) the audit of the Company's Accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or

    (b) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM, that the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.
11. The Company's privacy policy is available on its web pages: www.schroders.co.uk/asiapacific. Shareholders can contact Equiniti for details of how Equiniti processes their personal information as part of the AGM.

Alternative Performance Measures and Glossary

The terms and performance measures below are those commonly used by investment companies to assess values, investment performance and operating costs. Numerical calculations are given where relevant. Some of the financial measures below are classified as Alternative Performance Measures (APMs) as defined by the European Securities and Markets Authority. Under this definition, APMs include a financial measure of historical financial performance or financial position, other than a financial measure defined or specified in the applicable financial reporting framework. APMs have been marked with an *.

Net asset value (NAV) per share

The NAV per share of 627.02p (2023: 549.92p) represents the net assets attributable to equity shareholders of £919,159,000 (2023: £851,285,000) divided by the number of shares in issue of 146,591,216 (2023: 154,800,716).

The change in the NAV amounted to +14.0% (2023: +0.7%) over the year. However, this performance measure excludes the positive impact of dividends paid out by the Company during the period. When these dividends are factored into the calculation, the resulting performance measure is termed the "total return". Total return calculations and definitions are given below.

Total return*

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

The NAV total return for the year ended 30 September 2024 is calculated as follows:

Opening NAV at 30/9/23	549.92p
Closing NAV at 30/9/24	627.02p

Dividend received	XD date	NAV on XD date	Factor
12.00p	30/12/23	545.25p	1.022

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage change in the opening NAV:	**+16.5%**

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

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

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

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

The share price total return for the year ended 30 September 2024 is calculated as follows:

Opening share price at 30/9/23	486.50p
Closing share price at 30/9/24	549.00p

Dividend received	XD date	Share price on XD date	Factor
12.00p	30/12/23	490.50p	1.024

Share price total return, being the closing share price, multiplied by the factor, expressed as a percentage change in the opening share price:	**+15.6%**

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

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

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

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

Benchmark index

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

Discount/premium

The amount by which the share price of an investment trust is lower (discount) or higher (premium) than the NAV per share. The discount or premium is expressed as a percentage of the NAV per share. If the shares are trading at a discount, investors would be paying less than the value attributable to the shares by reference to the at a discount, investors would be paying less than the value attributable to the shares by reference to the stock market. The discount or premium is expressed as a percentage of the NAV per share. The discount at the year end amounted to 12.4% (2023: 11.5%), using the closing share price of 549.00p (2023:486.50p) which was 12.4% (2023: 11.5%) lower than the closing NAV of 627.02p (2023: 549.92p).

Gearing*

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

	2024 £'000	2023 £'000
Borrowings used for investment purposes, less cash	24,018	17,794
Net assets	919,159	851,285
Gearing/(net cash)	2.6%	2.1%

Leverage*

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

Ongoing charges*

Ongoing charges is calculated in accordance with the AIC's recommended methodology and represents the management fee and all other operating expenses excluding finance costs and transaction costs, amounting to £7,573,000 (2023: £7,617,000), expressed as a percentage of the average daily net asset values during the period of £855,976,000 (2023: £888,441,000).

Information about the Company

Web pages and share price information

The Company has dedicated web pages, which may be found at www.schroders.co.uk/asiapacific. The web pages are the Company's primary method of electronic communication with shareholders. They contain details of the Company's ordinary share price and copies of the Annual Report and Financial Statements and other documents published by the Company as well as information on the Directors, terms of reference of Committees and other governance arrangements. In addition, the web pages contain links to announcements made by the Company to the market and Schroders' website.

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

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

Association of Investment Companies

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

Individual Savings Account (ISA) status

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

Non-Mainstream Pooled Investments status

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

Financial calendar

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

Alternative Investment Fund Managers Directive (AIFMD) disclosures

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

Remuneration disclosures

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

Publication of Key Information Document (KID) by the AIFM

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

Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque.

Applications for an electronic mandate can be made by contacting the Registrar, Equiniti.

This is the most secure and efficient method of payment and ensures that you receive any dividends promptly.

If you do not have a UK bank or building society account, please contact Equiniti for details of their overseas payment service.

Further information can be found at www.shareview.co.uk, including how to register with shareview Portfolio and manage your shareholding online.

How to invest

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

Complaints

The Company has adopted a policy on complaints and other shareholder communications which ensures that shareholder complaints and communications addressed to the Company Secretary, the Chairman or the Board are, in each case, considered by the Chairman and the Board.

www.schroders.co.uk/asiapacific

Directors

James Williams (Chairman)
Julia Goh
Vivien Gould
Rupert Hogg
Martin Porter

Registered office

1 London Wall Place
London EC2Y 5AU

Advisers and service providers

Alternative Investment Fund Manager (the "Manager" or "AIFM")

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

Investment Manager and Company Secretary

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

Depositary and custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Lending bank

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

Corporate broker

Deutsche Numis
45 Gresham Street
London EC2V 7BF

Independent auditor

Ernst & Young LLP
25 Churchill Place
London E14 5EY

Registrar

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

Shareholder Helpline: 0371 032 0641*
Website: www.shareview.co.uk

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

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

Other information

Company number 03104981.

Shareholder enquiries

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

Dealing Codes

ISIN: GB0007918872
SEDOL 0791887
Ticker: SDP

Global Intermediary Identification Number (GIIN)

SWLQRM.99999.SL.826

Legal Entity Identifier (LEI)

549300A71N7LE35KWU14

Privacy notice

The Company's privacy notice is available on its web pages.

Warning to shareholders

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

If you receive any unsolicited investment advice:

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

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

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

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

Risk Disclosures

Concentration risk	The Company may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Company, both up or down.
Counterparty risk	The Company may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the Company may be lost in part or in whole.
Currency risk	If the Company's investments are denominated in currencies different to the currency of the Company's shares, the Company may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.
Derivatives risk	Derivatives, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the Company.
Emerging markets & frontier risk	Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.
Gearing risk	The Company may borrow money to make further investments, this is known as gearing. Gearing will increase returns if the value of the investments purchased increase by more than the cost of borrowing, or reduce returns if they fail to do so. In falling markets, the whole of the value in such investments could be lost, which would result in losses to the Company.
Liquidity Risk	The price of shares in the Company is determined by market supply and demand, and this may be different to the net asset value of the Company. In difficult market conditions, investors may not be able to find a buyer for their shares or may not get back the amount that they originally invested. Certain investments of the Company, in particular the unquoted investments, may be less liquid and more difficult to value. In difficult market conditions, the Company may not be able to sell an investment for full value or at all and this could affect performance of the Company.
Market Risk	The value of investments can go up and down and an investor may not get back the amount initially invested.
Operational risk	Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the Company.
Performance risk	Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult to achieve.
Share price risk	The price of shares in the Company is determined by market supply and demand, and this may be different to the net asset value of the Company. This means the price may be volatile, meaning the price may go up and down to a greater extent in response to changes in demand.
Smaller companies risk	Smaller companies generally carry greater liquidity risk than larger companies, meaning they are harder to buy and sell, and they may also fluctuate in value to a greater extent.

Schroder Investment Management Limited
1 London Wall Place, London EC2Y 5AU, United Kingdom
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