

Schroders

SCHRODER ASIAN GROWTH FUND

Annual Report & Financial Statements

December 2020



SCHRODER ASIAN GROWTH FUND

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

Manager

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

Trustee

HSBC Institutional Trust Services (Singapore) Limited
10 Marina Boulevard
Marina Bay Financial Centre Tower 2
#48-01
Singapore 018983
Company Registration No. 194900022R

Auditor

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

Solicitor to the Manager

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

Solicitor to the Trustee

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

Further Information

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

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

COMMENTARY

Equity markets in Asia finished 2020 strongly, with the regional indices making new highs on the last trading day of the year, as investors continued to focus on the potential normalisation in economic activity in 2021 as vaccines start to be rolled out in the coming months. This was despite the continued deterioration of COVID-19 case numbers in many Western countries in recent weeks and the imposition of tougher lockdowns. Optimism in markets is predicated on the scope for a sharp rebound in earnings through 2021-22 at a time when interest rates are likely to remain close to zero and central banks are expected to maintain ample liquidity to underpin the economic recovery. In recent months, we have already started to see an upturn in earnings forecasts for the broader Asian indices, which supports this more optimistic perspective.

Within this move in markets since November, we have seen a much sharper rebound in some of the stocks, sectors and countries that were lagging in earlier months – i.e. those that were perceived as ‘lockdown losers’. However, there remains a lot of uncertainties about the durability of this rotation within markets. On the one side, positive news on the effectiveness of vaccines should significantly reduce the downside risks over the next 1-2 years, and if inoculation happens rapidly through the next 6 months, then a rapid normalisation of activity could be apparent by late 2021. This would be very positive for growth as pent-up demand is released for travel, entertainment and other depressed areas of consumption and investment. Moderating this positive cyclical outlook, however, is the reality that there is still a very difficult winter ahead in many countries, with high levels of coronavirus infection and continued lockdowns that will depress demand. Large-scale government support programmes that have propped up consumption in many countries this year may also wind down in some countries as we go into 2021. The real improvements in mobility within economies, and via international travel, will not be apparent for 9-12 months, and that presupposes no hiccups along the way in pushing rapid adoption of the new vaccines. So, after the initial snapback in activity, the cyclical upswing may prove to be relatively anaemic as many of the headwinds that depressed activity and inflation in the preceding decade reassert themselves. These include heavy indebtedness, adverse demographics, technological disruption, and income inequality.

Given this uncertainty, we remain cautious about rotating portfolios too far away from the more secular growth themes in favour of the near-term cyclical recovery trade. We will be disciplined about taking profits on the more cyclical names we own, as and when they fully price in the potential medium-term recovery. Meanwhile, the uplift in E-commerce penetration and more general on-line activity and communication that we have seen across countries this year during the lockdowns seems unlikely to recede. Consumers and corporates have become dependent on the added convenience of these services, while operators continue to improve the quality and scope of their services. The technology hardware sector more generally has also been a net winner from this rapidly shifting consumer behaviour and we remain optimistic about the long-term outlook for many of the key Asian players. This is supported by several themes: the accelerating shift to 5G telecommunications in 2021; a renewed upcycle in memory pricing after the 2019-20 downturn; and the continued digitisation of so many areas of the economy, which drives demand for increased processor power, bandwidth and storage every year. With this positive backdrop, we remain heavily invested in the companies we view as long-term winners in these industries. This focus on the long-term outlook remains critical in assessing stocks, as the lower headline multiples in supposed ‘value sectors’ are often aligned with weaker franchises, which are likely to remain ‘value traps’ after any short-term rebound.

December 2020

SCHRODER ASIAN GROWTH FUND

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

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2020

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

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

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

SCHRODER ASIAN GROWTH FUND

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

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2020

In the opinion of Schroder Investment Management (Singapore) Ltd, the accompanying financial statements set out on pages 8 to 33, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of Schroder Asian Growth Fund (the "Fund") as at 31 December 2020, and the financial performance and movements of unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

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

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

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

Our Opinion

In our opinion, the accompanying financial statements of Schroder Asian Growth Fund (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2020, and the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2020;
- the Statement of Financial Position as at 31 December 2020;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2020;
- the Statement of Portfolio as at 31 December 2020; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

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

Other Information

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

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

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

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

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

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 29 March 2021

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2020*

	Notes	2020 \$	2019 \$
Income			
Dividends:			
Singapore		1,344,654	1,465,466
Foreign		24,574,549	32,733,616
Interest on deposits with banks	10	6,100	91,585
Sundry income		11,720	38
		25,937,023	34,290,705
Less : Expenses			
Management fees	10	17,835,403	17,262,839
Trustee fees	10	494,798	475,676
Valuation fees	10	386,636	374,099
Custodian fees	10	421,335	422,364
Registration fees	10	1,570,892	1,520,230
Audit fees		16,994	13,485
Transaction costs		1,411,850	1,168,578
Others		474,380	440,451
		22,612,288	21,677,722
Net income		3,324,735	12,612,983
Net gains or losses on value of investments and financial derivatives			
Net gains on investments		420,795,599	272,112,420
Net losses on spot foreign exchange contracts		(612,467)	(210,760)
Net foreign exchange losses		(216,346)	(4,454)
		419,966,786	271,897,206
Total return for the year before income tax		423,291,521	284,510,189
Income tax expense	3	(6,941,679)	(5,596,015)
Total return for the year		416,349,842	278,914,174

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF FINANCIAL POSITION***As at 31 December 2020*

	Notes	2020 \$	2019 \$
ASSETS			
Portfolio of investments		1,957,804,448	1,628,690,475
Bank balances	10	14,198,037	13,242,559
Receivables	5	15,232,337	6,358,600
Total assets		1,987,234,822	1,648,291,634
LIABILITIES			
Purchases awaiting settlement		738,116	-
Payables	7	55,868,794	51,834,684
Financial derivatives	6	1,319	-
Total liabilities		56,608,229	51,834,684
EQUITY			
Net assets attributable to unitholders	8	1,930,626,593	1,596,456,950

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2020*

	Notes	2020 \$	2019 \$
Net assets attributable to unitholders at the beginning of the financial year		1,596,456,950	1,339,491,168
Operations			
Change in net assets attributable to unitholders resulting from operations		416,349,842	278,914,174
Unitholders' contributions/(withdrawals)			
Creation of units		561,977,212	403,066,858
Cancellation of units		(574,153,077)	(361,019,671)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(12,175,865)	42,047,187
Distributions	4	(70,004,334)	(63,995,579)
Total increase in net assets attributable to unitholders		334,169,643	256,965,782
Net assets attributable to unitholders at the end of the financial year	8	1,930,626,593	1,596,456,950

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2020***Primary**

	Holdings at 31 Dec 2020	Fair value at 31 Dec 2020 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2020 %
By geography			
Quoted			
Equities			
CHINA			
Alibaba Group Hldg Ltd	575,116	22,801,542	1.18
Alibaba Group Hldg Ltd ADR	316,006	97,199,529	5.04
Anhui Kouzi Distillery Co Ltd	2,427,457	34,024,971	1.76
Baozun Inc	552,200	8,263,994	0.43
Baozun Inc ADR	319,741	14,515,819	0.75
Budweiser Brewing Co APAC Ltd	4,351,800	18,989,256	0.98
China Mengniu Dairy Co Ltd	4,118,000	32,849,689	1.70
China Pacific Insurance Group Co Ltd H Shares	7,328,800	37,913,216	1.96
China Petroleum & Chemical Corp H Shares	31,048,000	18,363,784	0.95
China Resources Land Ltd	2,664,000	14,530,591	0.75
China Resources Mixc Lifestyle Services Ltd	25,646	157,151	0.01
CNOOC Ltd	11,331,000	13,867,295	0.72
Hollysys Automation Technologies Ltd	976,258	18,954,087	0.98
Huazhu Group Ltd ADR	332,996	19,817,890	1.03
Hutchison China MediTech Ltd ADR	897,611	37,986,209	1.97
JD.com Inc	571,100	33,291,804	1.72
Jiangsu Hengli Hydraulic Co Ltd	665,711	15,303,514	0.79
Leyard Optoelectronic Co Ltd	6,811,331	8,812,844	0.46
Midea Group Co Ltd A Shares	2,298,028	46,020,773	2.38
New Oriental Education & Technology Group Inc	12,940	3,070,242	0.16
New Oriental Education & Technology Group Inc ADR	220,077	54,045,582	2.80
Ping An Insurance Group Co of China Ltd H Shares	929,500	15,051,233	0.78
Shandong Sinocera Functional Material Co Ltd	1,126,267	10,335,730	0.54
Tencent Hldg Ltd	1,492,000	143,432,310	7.44
Vipshop Hldg Ltd ADR	839,093	31,173,632	1.61
WuXi Biologics Cayman Inc	1,356,000	23,760,297	1.23
Zhejiang Sanhua Intelligent Controls Co Ltd A Shares	5,655,127	28,358,697	1.47
		802,891,681	41.59

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2020***Primary (continued)**

	Holdings at 31 Dec 2020	Fair value at 31 Dec 2020 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2020 %
By geography			
Quoted			
Equities			
HONG KONG			
AIA Group Ltd	4,496,600	72,812,665	3.76
Chow Sang Sang Hldg Intl Ltd	5,136,000	7,703,831	0.40
Galaxy Entertainment Group Ltd	3,139,000	32,236,467	1.67
Hong Kong Exchanges & Clearing Ltd	332,100	24,057,853	1.25
Jardine Strategic Hldg Ltd	790,400	25,990,448	1.35
Kerry Properties Ltd	7,418,500	24,834,570	1.29
Pacific Textiles Hldg Ltd	14,742,000	12,790,080	0.66
Swire Properties Ltd	5,188,450	19,942,667	1.03
Techtronic Ind Co Ltd	2,642,000	49,806,613	2.58
		270,175,194	13.99
INDIA			
Apollo Hospitals Enterprise Ltd	907,382	39,600,776	2.05
Arvind Fashions Ltd	610,431	1,702,602	0.09
Arvind Ltd	1,750,270	1,480,058	0.08
Bandhan Bank Ltd	2,880,165	20,955,867	1.09
HDFC Bank Ltd	2,096,445	54,465,419	2.81
ICICI Bank Ltd	4,584,515	44,369,035	2.30
Infosys Ltd	1,677,265	38,099,070	1.97
The Phoenix Mills Ltd	1,918,451	26,877,717	1.39
Zee Entertainment Enterprises Ltd	2,650,936	10,716,895	0.56
		238,267,439	12.34
PHILIPPINES			
Bank of the Philippine Islands	4,957,460	11,098,887	0.57
RFM Corp	70,610,600	8,841,866	0.46
		19,940,753	1.03

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2020***Primary (continued)**

	Holdings at 31 Dec 2020	Fair value at 31 Dec 2020 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2020 %
By geography			
Quoted			
Equities			
SINGAPORE			
Oversea-Chinese Banking Corp Ltd	3,313,253	33,331,325	1.73
SOUTH KOREA			
LG Chem Ltd	41,584	41,688,873	2.16
Naver Corp	60,501	21,530,549	1.12
Samsung Electronics Co Ltd	1,815,852	178,950,184	9.27
SK Materials Co Ltd	109,199	47,536,333	2.46
		289,705,939	15.01
SRI LANKA			
John Keells Hldg PLC	13,164,018	14,050,064	0.73
TAIWAN			
MediaTek Inc	859,000	30,182,473	1.56
Merida Ind Co Ltd	2,206,850	24,497,731	1.27
Taiwan Semiconductor Manufacturing Co Ltd	7,306,309	182,144,037	9.43
		236,824,241	12.26
UNITED KINGDOM			
Standard Chartered PLC	3,547,550	29,689,924	1.54
UNITED STATES OF AMERICA			
Samsonite Intl SA	9,789,900	22,927,888	1.19
Portfolio of investments		1,957,804,448	101.41
Other net liabilities		(27,177,855)	(1.41)
Net assets attributable to unitholders		1,930,626,593	100.00

Legend :

ADR : American Depositary Receipts

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2020***Primary** (continued)

	Percentage of total net assets attributable to unitholders at 31 Dec 2020 %	Percentage of total net assets attributable to unitholders at 31 Dec 2019 %
By geography (summary)		
Quoted		
China	41.59	39.51
Hong Kong	13.99	17.54
India	12.34	12.43
Philippines	1.03	3.08
Singapore	1.73	2.27
South Korea	15.01	11.57
Sri Lanka	0.73	1.02
Taiwan	12.26	10.37
Thailand	-	1.27
United Kingdom	1.54	1.65
United States of America	1.19	1.31
Portfolio of investments	101.41	102.02
Other net liabilities	(1.41)	(2.02)
Net assets attributable to unitholders	100.00	100.00

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***STATEMENT OF PORTFOLIO***As at 31 December 2020***Secondary**

	Fair value at 31 Dec 2020 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2020 %	Percentage of total net assets attributable to unitholders at 31 Dec 2019 %
By industry			
Automobiles & Components	-	-	0.53
Bank	193,910,457	10.04	14.67
Chemicals/Petrochemicals	99,560,936	5.16	3.45
Computer/Software	38,099,070	1.97	1.45
Consumer Durables	109,419,132	5.67	4.84
Diversified Operations	40,040,512	2.07	2.85
Education Services	57,115,824	2.96	2.39
Finance	24,057,853	1.25	-
Food & Beverage	94,705,782	4.91	3.51
Health Care/Pharmaceuticals	116,398,515	6.03	4.27
Hotel & Leisure	52,054,357	2.70	3.95
Industrial Machinery	112,422,911	5.82	5.85
Insurance	110,725,881	5.74	8.49
Internet Services	341,035,547	17.65	14.03
Media	10,716,895	0.56	0.91
Oil & Gas	32,231,079	1.67	2.41
Real Estate	86,342,696	4.47	8.14
Retail	38,877,463	2.01	2.15
Semiconductor	212,326,510	11.00	8.49
Technology Hardware & Equipment	187,763,028	9.73	9.64
Portfolio of investments	1,957,804,448	101.41	102.02
Other net liabilities	(27,177,855)	(1.41)	(2.02)
Net assets attributable to unitholders	1,930,626,593	100.00	100.00

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

1. General

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

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

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

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

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

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Significant accounting policies

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

(a) Basis of preparation

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

(b) Recognition of income

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

(c) Investments

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

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

(d) Receivables

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

(e) Sales and purchases awaiting settlement

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

SCHRODER ASIAN GROWTH FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

(f) Bank balances

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

(g) Payables

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

(h) Foreign currency translation

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

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

(i) Financial derivatives

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

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

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

(j) Offsetting financial instruments

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

(k) Distribution

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

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

3. Income tax

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

	2020 \$	2019 \$
Foreign income tax	2,789,425	3,253,869
Capital gains tax	4,152,254	2,342,146
	<u>6,941,679</u>	<u>5,596,015</u>

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

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2020***4. Distributions**

The Fund distributed a total of \$70,004,334 (2019: \$63,995,579) to unitholders on the register during the year as disclosed below.

2020**Class SGD A Distribution**

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
31 Mar 2020	17 Apr 2020	1.8096	7,153,671
30 Jun 2020	16 Jul 2020	2.0898	8,300,637
30 Sep 2020	16 Oct 2020	2.3304	9,024,412
31 Dec 2020	19 Jan 2021	9.9110	39,527,100
			64,005,820

Class USD A Distribution

Record date	Payment date	Distribution rate US\$ per 100 units	Distribution amount US\$	Distribution amount \$
31 Mar 2020	17 Apr 2020	1.7646	436,834	626,158
30 Jun 2020	16 Jul 2020	2.0802	507,970	708,008
30 Sep 2020	16 Oct 2020	2.3712	566,685	770,436
31 Dec 2020	19 Jan 2021	10.4148	2,952,057	3,893,912
			4,463,546	5,998,514

2019**Class SGD A Distribution**

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

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2020***4. Distributions (continued)****Class USD A Distribution**

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

5. Receivables

	2020 \$	2019 \$
Amount receivable for creation of units	14,553,541	5,424,239
Dividend receivable	678,744	934,279
Interest receivable	-	14
Other	52	68
	15,232,337	6,358,600

6. Financial derivatives

Financial derivative contracts comprise spot foreign exchange contracts due for settlement or contractual re-pricing within 3 months (2019: Nil) from the reporting date. The contracted or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the reporting date are analysed below.

	Notional amount \$	Fair value liabilities \$
2020		
Contracts:		
Spot foreign exchange	738,116	1,319

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2020***7. Payables**

	2020 \$	2019 \$
Amount payable for cancellation of units	3,697,975	10,712,002
Amount payable for dividend distribution	43,421,012	35,917,384
Accrued management fees	1,813,516	1,541,533
Accrued trustee fees	50,958	42,410
Accrued valuation fees	37,481	31,925
Capital gains tax provision	6,661,146	2,786,441
Other accrued expenses	186,706	802,989
	55,868,794	51,834,684

8. Units in issue**Class SGD A Distribution**

	2020 Units	2019 Units
At the beginning of the financial year	399,209,254	384,170,765
Created	132,176,897	103,462,277
Cancelled	(132,565,651)	(88,423,788)
At the end of the financial year	398,820,500	399,209,254
	\$	\$
Net assets attributable to unitholders	1,757,180,421	1,436,405,443
Net assets attributable to unitholders per unit	4.41	3.60

Class USD A Distribution

	2020 Units	2019 Units
At the beginning of the financial year	32,023,789	33,456,232
Created	13,653,447	9,655,433
Cancelled	(17,332,405)	(11,087,876)
At the end of the financial year	28,344,831	32,023,789
	US\$	US\$
Net assets attributable to unitholders	131,234,572	119,028,377
Net assets attributable to unitholders per unit	4.63	3.72

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

8. Units in issue (continued)

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

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

Dis : Distribution

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

Class SGD A Distribution	2020	2019
	\$	\$
Net assets attributable to unitholders per unit per the financial statements	4.41	3.60
Effect of distribution per unit	0.10	0.08
Net assets attributable to unitholders per unit for issuing/redeeming of units	4.51	3.68
 Class USD A Distribution	 2020	 2019
	US\$	US\$
Net assets attributable to unitholders per unit per the financial statements	4.63	3.72
Effect of distribution per unit	0.10	0.08
Net assets attributable to unitholders per unit for issuing/redeeming of units	4.73	3.80

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Financial risk management

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

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

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

(a) Market risk

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

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

COVID-19 pandemic continues to evolve and develop. The situation is dynamic with various cities and countries around the world responding in different ways to address the pandemic. As a result of the COVID-19 pandemic, global financial markets have experienced significant volatility. Given the extent of the crisis, it is difficult to estimate the impact or duration of the volatility on the portfolio of the Fund. The Manager is closely monitoring the development of the COVID-19 pandemic and its related impact.

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

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2020***9. Financial risk management (continued)****(a) Market risk (continued)**

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

(i) Price risk

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

Reasonable possible change %	2020	Reasonable possible change %	2019
	Impact on net assets attributable to unitholders \$		Impact on net assets attributable to unitholders \$
9	172,018,829	8	131,717,601

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

(ii) Interest rate risk

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

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk

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

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

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

	As at 31 December 2020						
	HKD	KRW	SGD	TWD	USD	Others*	Total
	\$	\$	\$	\$	\$	\$	\$
Assets							
Portfolio of investments	683,144,962	289,705,939	33,331,325	236,824,241	299,683,196	415,114,785	1,957,804,448
Bank balances	530,121	-	12,572,980	-	1,093,683	1,253	14,198,037
Receivables	-	-	12,205,037	678,744	2,348,556	-	15,232,337
Total assets	683,675,083	289,705,939	58,109,342	237,502,985	303,125,435	415,116,038	1,987,234,822
Liabilities							
Purchases awaiting settlement	738,116	-	-	-	-	-	738,116
Payables	-	-	44,834,575	-	4,373,073	6,661,146	55,868,794
Total liabilities	738,116	-	44,834,575	-	4,373,073	6,661,146	56,606,910
Net financial assets	682,936,967	289,705,939	13,274,767	237,502,985	298,752,362	408,454,892	1,930,627,912
Currency spot	739,435	-	(739,435)	-	-	-	-
Currency exposure	683,676,402	289,705,939	12,535,332	237,502,985	298,752,362	408,454,892	

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

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

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

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

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

SCHRODER ASIAN GROWTH FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Financial risk management (continued)

(b) Liquidity risk

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

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

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

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

	2020 Less than 3 months \$	2019 Less than 3 months \$
Purchases awaiting settlement	738,116	-
Payables	55,868,794	51,834,684
Financial derivatives	1,319	-

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

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Financial risk management (continued)

(c) Credit risk

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

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

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

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

As at 31 December 2020	Credit rating	Source of credit rating
<u>Bank & Custodian</u>		
The Hongkong and Shanghai Banking Corp Ltd	a1	Moody's
<u>Counterparty</u>		
Citibank NA	baa1	Moody's
Deutsche Bank AG	ba1	Moody's
JPMorgan Chase Bank NA	a2	Moody's
Standard Chartered Bank	baa2	Moody's
UBS AG	a3	Moody's

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Financial risk management (continued)

(c) Credit risk (continued)

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

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

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

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

(d) Fair value estimation

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

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

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

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

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

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2020***9. Financial risk management (continued)****(d) Fair value estimation (continued)**

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

	As at 31 December 2020			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Assets				
Financial assets at fair value through profit or loss				
Equities	1,957,804,448	-	-	1,957,804,448
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial derivatives	-	1,319	-	1,319
	As at 31 December 2019			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
Assets				
Financial assets at fair value through profit or loss				
Equities	1,628,690,475	-	-	1,628,690,475

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

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

There are no financial instruments classified within level 3.

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

SCHRODER ASIAN GROWTH FUND

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. Financial risk management (continued)

(e) Offsetting financial assets and financial liabilities

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

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

<u>2020</u>	Gross amounts of recognised financial liabilities \$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position \$	Net amounts of financial liabilities presented in the Statement of Financial Position \$	Related amounts not set-off in the Statement of Financial Position		
				Financial instruments \$	Cash collateral \$	Net amount \$
Contracts: Spot foreign exchange	1,319	-	1,319	-	-	1,319

(f) Capital management

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

10. Related party disclosure

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Trustee is HSBC Institutional Trust Services (Singapore) Limited. With effect from 1 July 2020, The Hongkong and Shanghai Banking Corporation Limited replaces HSBC France, Luxembourg Branch, as the Registrar of the Fund. Both Trustee and Registrar are subsidiaries of the HSBC Group. The management fees paid to the Manager and registration fees paid to the Registrar; trustee fees, valuation fees and custodian fees charged by, and interest earned on deposits with, the HSBC Group are shown in the Statement of Total Return.

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

	2020 \$	2019 \$
Current accounts	14,198,037	13,242,559

SCHRODER ASIAN GROWTH FUND*Constituted under a Trust Deed in the Republic of Singapore on 4 April 1991***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2020***11. Financial ratios**

	2020	2019
Expense ratio ¹	1.33%	1.34%
Turnover ratio ²	18.41%	16.44%

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

Expense ratio calculations	2020	2019
	\$	\$
Total operating expenses	21,188,328	20,509,118
Average net asset value	1,590,347,425	1,535,930,762

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

Turnover ratio calculations	2020		2019	
	\$		\$	
Lower of purchases or sales	292,834,664	(purchases)	252,502,793	(sales)
Average net asset value	1,590,347,425		1,535,930,762	

REPORT TO UNITHOLDERS

31 December 2020

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

1. Top 10 holdings of the Fund as at 31 December 2020:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Taiwan Semiconductor Manufacturing Co Ltd	182,144,037	9.43
Samsung Electronics Co Ltd	178,950,184	9.27
Tencent Hldg Ltd	143,432,310	7.44
Alibaba Group Hldg Ltd ADR	97,199,529	5.04
AIA Group Ltd	72,812,665	3.76
HDFC Bank Ltd	54,465,419	2.81
New Oriental Education & Technology Group Inc ADR	54,045,582	2.80
Techtronic Ind Co Ltd	49,806,613	2.58
SK Materials Co Ltd	47,536,333	2.46
Midea Group Co Ltd A Shares	46,020,773	2.38

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

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

The Fund was not invested in other unit trusts, mutual funds or collective investment schemes as at 31 December 2020. For the full composition of investments of the Fund as at 31 December 2020, refer to the Statement of Portfolio on pages 11 to 15.

REPORT TO UNITHOLDERS

31 December 2020

2. The Fund has the following exposure to financial derivatives as at 31 December 2020:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Contracts:		
Spot foreign exchange	(1,319)	(*)

* Less than 0.01

The net loss on financial derivatives realised in the period 1 January 2020 to 31 December 2020 amounted to \$611,148.

The net loss on outstanding financial derivatives marked to market as at 31 December 2020 amounted to \$1,319.

3. The Fund did not have any borrowings as at 31 December 2020.
4. The amount of subscriptions and redemptions in the period 1 January 2020 to 31 December 2020 were as follows:

	\$
Subscriptions	561,977,212
Redemptions	574,153,077

5. Expense Ratio

1 January 2020 to 31 December 2020	1.33%
1 January 2019 to 31 December 2019	1.34%

6. Turnover of Portfolio

1 January 2020 to 31 December 2020	18.41%
1 January 2019 to 31 December 2019	16.44%

7. Soft dollar commissions/arrangements:

In the management of the Fund, the Manager currently does not receive or enter into any soft dollar commissions or arrangements.

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

REPORT TO UNITHOLDERS

31 December 2020

9. Performance of Fund for periods ended 31 December 2020

	3 mths	6 mths	1 yr	3 yrs*	5 yrs*	10 yrs*	Since Launch**
Class SGD A							
Distribution	16.7%	30.9%	27.4%	9.4%	15.3%	10.4%	9.6%
Benchmark**	14.8%	24.3%	22.9%	7.8%	12.1%	7.1%	6.7%
Class USD A							
Distribution	20.5%	38.2%	29.6%	9.8%	16.9%	10.0%	12.1%
Benchmark**	18.6%	31.2%	25.0%	8.2%	13.7%	6.8%	10.0%

* Returns of more than 1 year are annualised

Since launch figures from 8 May 1991 (Class SGD A Dis) and 30 April 2004 (Class USD A Dis)

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

Source

Fund: Morningstar (class currency, bid to bid, net income reinvested, net of fees)

Benchmark: Schroders (class currency)

