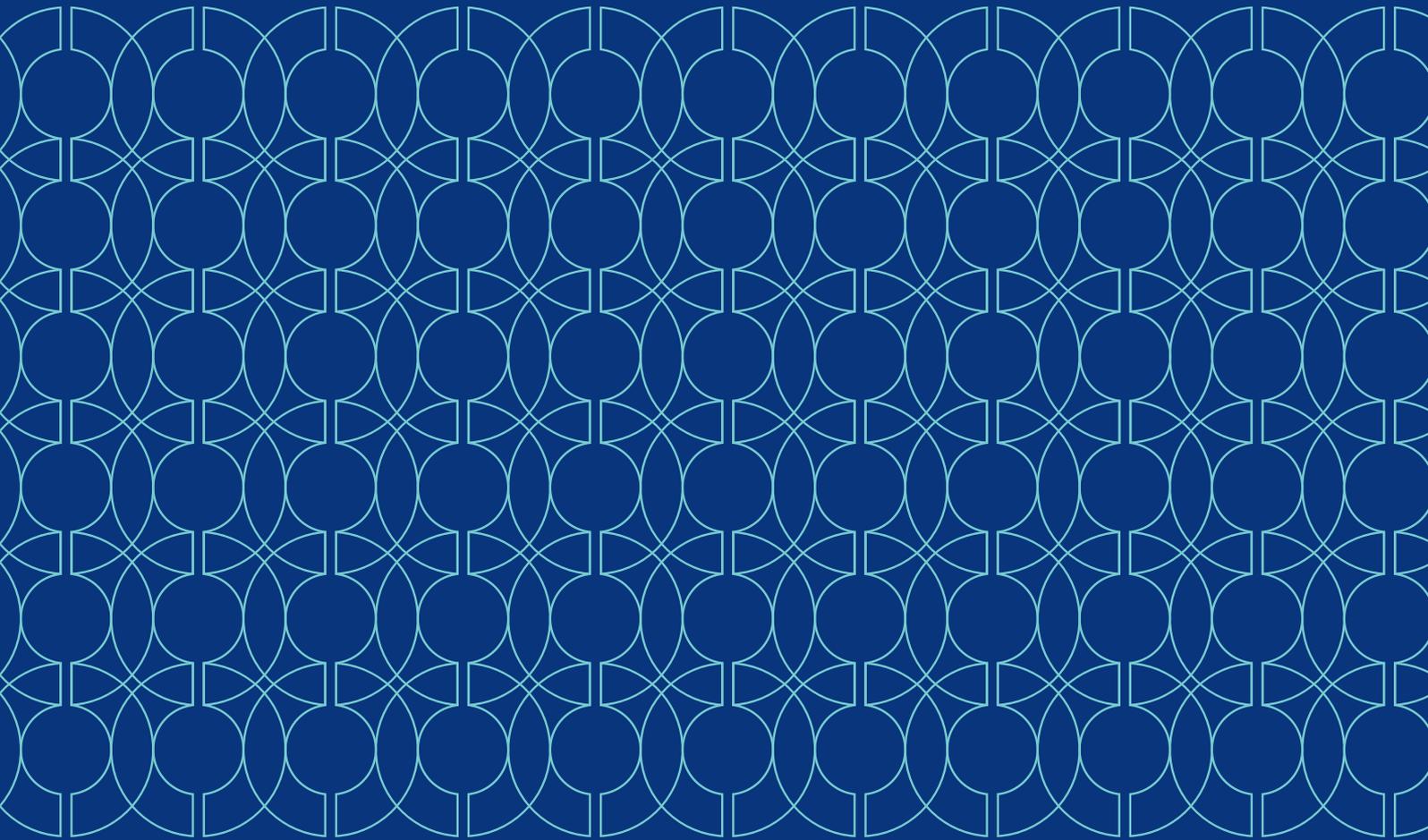


Schroders

SCHRODER ASIAN GROWTH FUND

Annual Report & Financial Statements

December 2021



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

Clifford Chance Pte. Ltd.
12 Marina Boulevard
25th Floor, Tower 3 Marina Bay Financial Centre
Singapore 018982

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

2021 was a difficult year for Asian equities, with negative returns for regional indices and performances that significantly lagged global averages. This was particularly disappointing given that China and most of north Asia had so successfully navigated the initial COVID shocks in the previous year. Additionally, the region's exporters have been seeing record orders as the global demand for goods has boomed over the last 18 months.

The worst-performing markets in the region last year, and main culprits for the regional declines, were China and Hong Kong. Some of this disappointment reflects high expectations at the start of the year, following China's very rapid and successful curtailment of the spread of COVID. Strict local lockdowns in affected areas and tight border controls served to minimise the impact on public health and allowed for a rapid normalisation of economic activity by the third quarter of 2020. This was much earlier than in most Western countries, where such severe policies were much harder to enforce. However, China's stronger relative growth in 2020 inevitably meant there was less of a V-shaped recovery in 2021. Furthermore, China's 'zero COVID' policy continued to trigger a series of sporadic lockdowns in major cities through the last year, and continued to act as a drag on consumer confidence and domestic demand. Towards the end of the year, these headwinds were reinforced as the Omicron variant of the virus started to be detected in certain local areas. For instance, millions of people were locked down in the Xi'an area over the holiday period.

As we enter 2022, the near-term outlook for domestic growth in China is weak, given headwinds from COVID restrictions and weakness in the property market. This is, in turn, feeding through to a weaker operating outlook for the key domestic demand plays. That said, although China clearly has many near-term headwinds, the breadth and depth of the market is unrivalled within the region and therefore still offers interesting opportunities for bottom-up stock pickers. As the market has corrected in recent months and valuations have become more interesting, we have gradually increased weightings in selected areas. This includes domestic A-shares, which are less exposed to the potential disruptions within the US-ADR market, especially those sectors more closely aligned with the authorities' strategic priorities in the next 5-year plan - such as renewable energy. We have also, very selectively, increased positions in certain stocks that have been caught up in the sharp downdraft triggered by regulatory tightening in the internet and healthcare sectors. This includes companies in which we still consider the longer-term potential to be attractive and the risk-reward profile much more alluring after the pullback in valuations.

More generally, debate still centers on the outlook for inflation and nominal GDP growth; whether after the pandemic and the considerable policy response, we are transitioning into a 'new normal'; and whether this could shift equity market performance away from its very one-dimensional focus on secular growth themes, back towards some of the more value-oriented sectors including financials, energy, industrials and materials. However, it still feels too soon to make such definitive longer-term calls. Much will depend on politics and policy decisions over the coming months and years. Given the uncertain outlook for growth and inflation in the coming quarters, portfolio construction remains focused on maintaining a healthy level of diversification. This is spread across growth and value ideas, as well as those stocks that might benefit from higher inflation expectations and rates, and those longer-term growth ideas that are less cyclically exposed.

December 2021

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 2021

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 2001, 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 37, 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 2021

In the opinion of Schroder Investment Management (Singapore) Ltd, the accompanying financial statements set out on pages 8 to 37, 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 2021, 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 Investment Funds" 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 the Manager
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 Investment Funds" 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 2021, 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 2021;
- the Statement of Financial Position as at 31 December 2021;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2021;
- the Statement of Portfolio as at 31 December 2021; 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 Investment Funds" 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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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 2022

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 2021

	Note	2021 \$	2020 \$
Income			
Dividends:			
Singapore		1,355,121	1,344,654
Foreign		38,489,608	24,574,549
Interest on deposits with banks	10	362	6,100
Sundry income		-	11,720
		39,845,091	25,937,023
Less : Expenses			
Management fees	10	25,465,208	17,835,403
Trustee fees	10	713,460	494,798
Valuation fees	10	557,876	386,636
Custodian fees	10	656,490	421,335
Registration fees	10	2,259,008	1,570,892
Audit fees		17,502	16,994
Transaction costs		1,784,541	1,411,850
Others		855,339	474,380
		32,309,424	22,612,288
Net income		7,535,667	3,324,735
Net gains or losses on value of investments and financial derivatives			
Net (losses)/gains on investments		(72,132,469)	420,795,599
Net losses on spot foreign exchange contracts		(997,921)	(612,467)
Net foreign exchange gains/(losses)		699,232	(216,346)
		(72,431,158)	419,966,786
Total (deficit)/return for the year before income tax		(64,895,491)	423,291,521
Income tax expense	3	(14,142,175)	(6,941,679)
Total (deficit)/return for the year		(79,037,666)	416,349,842

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 2021*

	Note	2021 \$	2020 \$
ASSETS			
Portfolio of investments		2,337,562,548	1,957,804,448
Bank balances	10	42,209,584	14,198,037
Receivables	5	11,049,993	15,232,337
Total assets		<u>2,390,822,125</u>	<u>1,987,234,822</u>
LIABILITIES			
Purchases awaiting settlement		7,299,385	738,116
Payables	7	70,441,377	55,868,794
Financial derivatives	6	12,871	1,319
Total liabilities		<u>77,753,633</u>	<u>56,608,229</u>
EQUITY			
Net assets attributable to unitholders	8	<u>2,313,068,492</u>	<u>1,930,626,593</u>

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 2021*

	Note	2021 \$	2020 \$
Net assets attributable to unitholders at the beginning of the financial year		1,930,626,593	1,596,456,950
Operations			
Change in net assets attributable to unitholders resulting from operations		(79,037,666)	416,349,842
Unitholders' contributions/(withdrawals)			
Creation of units		1,160,158,259	561,977,212
Cancellation of units		(608,153,349)	(574,153,077)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		552,004,910	(12,175,865)
Distributions	4	(90,525,345)	(70,004,334)
Total increase in net assets attributable to unitholders		382,441,899	334,169,643
Net assets attributable to unitholders at the end of the financial year	8	2,313,068,492	1,930,626,593

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 2021

Primary

	Holdings at 31 Dec 2021	Fair value at 31 Dec 2021 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2021 %
By geography			
Quoted			
Equities			
CHINA			
Alibaba Group Hldg Ltd	523,516	10,763,698	0.47
Alibaba Group Hldg Ltd ADR	316,006	50,607,331	2.18
Baozun Inc	1,403,900	8,266,144	0.36
Baozun Inc ADR	674,331	12,636,481	0.55
Budweiser Brewing Co APAC Ltd	8,741,500	30,912,131	1.34
China Mengniu Dairy Co Ltd	5,384,000	41,150,678	1.78
China Pacific Insurance Group Co Ltd H Shares	7,996,400	29,245,197	1.26
China Petroleum & Chemical Corp H Shares	52,410,000	32,898,073	1.42
China Resources Land Ltd	4,876,000	27,655,863	1.20
China Tourism Group Duty Free Corp Ltd	468,180	21,777,862	0.94
Gongniu Group Co Ltd	754,008	26,743,477	1.16
Great Wall Motor Co Ltd H Share	7,976,000	36,963,204	1.60
Hollysys Automation Technologies Ltd	976,258	18,531,283	0.80
Huazhu Group Ltd	1,578,800	7,958,209	0.34
Huazhu Group Ltd ADR	541,850	27,276,686	1.18
HUTCHMED China Ltd ADR	816,814	38,629,668	1.67
JD.com Inc	887,450	42,047,883	1.81
Kweichow Moutai Co Ltd	38,200	16,602,107	0.72
LONGi Green Energy Technology Co Ltd	1,728,605	31,589,955	1.37
Meituan	707,700	27,583,717	1.19
Midea Group Co Ltd A Shares	2,684,603	42,008,894	1.81
Ping An Insurance Group Co of China Ltd H Shares	1,933,500	18,773,429	0.81
Satellite Chemical Co Ltd	2,285,585	19,396,749	0.84
Shandong Sinocera Functional Material Co Ltd	1,681,537	15,175,956	0.66
Skshu Paint Co Ltd	1,084,639	31,997,379	1.38
Tencent Hldg Ltd	1,420,700	112,222,038	4.84
Vipshop Hldg Ltd ADR	1,870,010	21,176,853	0.92
Wuxi Biologics Cayman Inc	1,514,500	24,237,921	1.05
Yum China Hldg Inc	341,500	22,593,595	0.98
Zhejiang Sanhua Intelligent Controls Co Ltd A Shares	7,060,114	37,868,509	1.64
		885,290,970	38.27

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 2021

Primary (continued)

	Holdings at 31 Dec 2021	Fair value at 31 Dec 2021 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2021 %
By geography			
Quoted			
Equities			
HONG KONG			
AIA Group Ltd	5,476,400	74,433,319	3.21
Chow Sang Sang Hldg Intl Ltd	7,321,000	13,798,967	0.60
Hong Kong Exchanges & Clearing Ltd	416,500	32,798,781	1.42
Kerry Properties Ltd	9,156,500	32,142,171	1.39
Pacific Textiles Hldg Ltd	16,366,000	10,414,539	0.45
Swire Properties Ltd	6,494,050	21,942,690	0.95
Techtronic Ind Co Ltd	2,540,500	68,180,564	2.95
		253,711,031	10.97
INDIA			
Apollo Hospitals Enterprise Ltd	703,438	63,958,645	2.77
Bandhan Bank Ltd	4,036,745	18,500,251	0.80
HDFC Bank Ltd	2,446,079	65,629,208	2.84
ICICI Bank Ltd	4,765,251	63,965,618	2.77
Infosys Ltd	1,956,455	66,981,584	2.89
One 97 Communications Ltd	356,063	8,617,926	0.37
The Phoenix Mills Ltd	2,074,248	37,067,413	1.60
Zee Entertainment Enterprises Ltd	2,650,936	15,423,207	0.67
		340,143,852	14.71
MACAO			
Galaxy Entertainment Group Ltd	3,167,000	22,124,787	0.96
PHILIPPINES			
Converge Information and Communications Technology Solutions Inc	19,945,000	16,821,187	0.72
RFM Corp	70,610,600	8,494,019	0.37
		25,315,206	1.09
SINGAPORE			
Oversea-Chinese Banking Corp Ltd	4,035,853	46,008,724	1.99

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 2021

Primary (continued)

	Holdings at 31 Dec 2021	Fair value at 31 Dec 2021 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2021 %
By geography			
Quoted			
Equities			
SOUTH KOREA			
KakaoBank Corp	29,961	2,004,731	0.09
LG Chem Ltd	59,577	41,552,909	1.80
NAVER Corp	106,902	45,888,029	1.98
Samsung Electronics Co Ltd	2,167,426	192,465,869	8.32
		281,911,538	12.19
SRI LANKA			
John Keells Hldg PLC	10,328,047	10,299,398	0.45
SWITZERLAND			
Shandong Sinocera Functional Material Co Ltd (Luxembourg) Warrant 22 Feb 2022	1,402,700	12,631,034	0.55
TAIWAN			
MediaTek Inc	1,117,000	64,770,355	2.80
Merida Ind Co Ltd	2,713,850	43,308,515	1.87
Novatek Microelectronics Corp	1,171,000	30,755,430	1.33
Sea Ltd ADR	56,428	17,018,382	0.74
Taiwan Semiconductor Manufacturing Co Ltd	7,793,309	233,546,390	10.09
		389,399,072	16.83
UNITED KINGDOM			
Standard Chartered PLC	4,840,400	38,711,737	1.67
UNITED STATES OF AMERICA			
Samsonite Intl SA	11,688,300	32,015,199	1.38
Portfolio of investments		2,337,562,548	101.06
Other net liabilities		(24,494,056)	(1.06)
Net assets attributable to unitholders		2,313,068,492	100.00

Legend :

ADR : American Depository 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 2021***Primary** (continued)

	Percentage of total net assets attributable to unitholders at 31 Dec 2021 %	Percentage of total net assets attributable to unitholders at 31 Dec 2020 %
By geography (summary)		
Quoted		
China	38.27	41.59
Hong Kong	10.97	13.99
India	14.71	12.34
Macao	0.96	-
Philippines	1.09	1.03
Singapore	1.99	1.73
South Korea	12.19	15.01
Sri Lanka	0.45	0.73
Switzerland	0.55	-
Taiwan	16.83	12.26
United Kingdom	1.67	1.54
United States of America	1.38	1.19
Portfolio of investments	101.06	101.41
Other net liabilities	(1.06)	(1.41)
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 2021***Secondary**

By industry	Fair value at 31 Dec 2021 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2021 %	Percentage of total net assets attributable to unitholders at 31 Dec 2020 %
Automobiles & Components	36,963,204	1.60	-
Bank	234,820,269	10.15	10.04
Chemicals/Petrochemicals	56,728,865	2.45	5.16
Computer/Software	83,999,966	3.63	1.97
Consumer Durables	127,747,147	5.52	5.67
Diversified Financial Services	8,617,926	0.37	-
Diversified Operations	10,299,398	0.45	2.07
Education Services	-	-	2.96
Finance	32,798,781	1.42	1.25
Food & Beverage	97,158,935	4.20	4.91
Health Care/Pharmaceuticals	145,599,663	6.29	6.03
Hotel & Leisure	79,953,277	3.46	2.70
Industrial Machinery	106,049,073	4.58	5.82
Insurance	103,678,516	4.48	5.74
Internet Services	282,431,604	12.21	17.65
Material	64,025,162	2.77	-
Media	15,423,207	0.67	0.56
Miscellaneous	26,743,477	1.16	-
Oil & Gas	32,898,073	1.42	1.67
Real Estate	118,808,137	5.14	4.47
Retail	84,337,399	3.65	2.01
Semiconductor	360,662,130	15.59	11.00
Technology Hardware & Equipment	210,997,152	9.12	9.73
Telecommunications	16,821,187	0.73	-
Portfolio of investments	2,337,562,548	101.06	101.41
Other net liabilities	(24,494,056)	(1.06)	(1.41)
Net assets attributable to unitholders	2,313,068,492	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 2021

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 2021

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 instruments at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 “Reporting Framework for Investment Funds” (“RAP 7”) revised and issued by the Institute of Singapore Chartered Accountants.

The adoption of the revised RAP 7 from financial year beginning on or after 1 January 2021 did not result in substantial changes to the accounting policies of the Fund and had no material effect on the amounts reported for the current or prior years.

(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. Net changes in fair value of investments are included in the Statement of Total Return in the year in which they arise.

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.

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2. Significant accounting policies (continued)

(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.

(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

Payables 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.

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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 (MAS) under the Enhanced-Tier Fund (ETF) Scheme (section 13U of the Income Tax Act 1947 and the relevant regulations) and is included in the Central Provident Fund Investment Scheme. Subject to certain conditions being met on an annual basis, the Fund enjoys Singapore corporate income tax exemption on “specified income” derived from “designated investments” for the life of the Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax regulations.

	2021 \$	2020 \$
Foreign income tax	4,567,788	2,789,425
Capital gains tax	9,574,387	4,152,254
	<u>14,142,175</u>	<u>6,941,679</u>

The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore. Capital gains tax comprises of the tax on realised capital gains and provisions for potential capital gains tax outside Singapore.

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4. Distributions

The Fund distributed a total of \$90,525,345 (2020: \$70,004,334) to Class SGD A Distribution and Class USD A Distribution unitholders on the register during the year as disclosed below.

2021

Class SGD A Distribution

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
31 Mar 2021	19 Apr 2021	2.7834	11,849,382
30 Jun 2021	16 Jul 2021	2.8020	12,976,298
30 Sep 2021	18 Oct 2021	2.5914	11,729,320
31 Dec 2021	18 Jan 2022	9.3060	44,002,874
			<u>80,557,874</u>

Class USD A Distribution

Record date	Payment date	Distribution rate US\$ per 100 units	Distribution amount US\$	Distribution amount \$
31 Mar 2021	19 Apr 2021	2.8770	959,395	1,290,098
30 Jun 2021	16 Jul 2021	2.8944	1,132,187	1,525,623
30 Sep 2021	18 Oct 2021	2.6514	1,117,884	1,516,130
31 Dec 2021	18 Jan 2022	9.5854	4,164,508	5,635,620
			<u>7,373,974</u>	<u>9,967,471</u>

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
			<u>64,005,820</u>

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4. Distributions (continued)

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
			<u>4,463,546</u>	<u>5,998,514</u>

5. Receivables

	2021 \$	2020 \$
Amount receivable for creation of units	8,732,567	14,553,541
Dividend receivable	825,007	678,744
Interest receivable	3	-
Refund of GST	1,492,380	-
Other	36	52
	<u>11,049,993</u>	<u>15,232,337</u>

6. Financial derivatives

Financial derivative contracts comprise spot foreign exchange contracts due for settlement or contractual re-pricing within 3 months (2020: within 3 months) 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 \$
<u>2021</u>		
Contracts:		
Spot foreign exchange	<u>4,921,276</u>	<u>12,871</u>
<u>2020</u>		
Contracts:		
Spot foreign exchange	<u>738,116</u>	<u>1,319</u>

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7. Payables

	2021 \$	2020 \$
Amount payable for cancellation of units	2,432,297	3,697,975
Amount payable for dividend distribution	49,638,494	43,421,012
Accrued management fees	2,218,270	1,813,516
Accrued trustee fees	61,669	50,958
Accrued valuation fees	46,315	37,481
Capital gains tax provision	15,817,242	6,661,146
Other accrued expenses	227,090	186,706
	70,441,377	55,868,794

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

	2021 Units	2020 Units
At the beginning of the financial year	398,820,500	399,209,254
Created	190,846,156	132,176,897
Cancelled	(116,822,536)	(132,565,651)
At the end of the financial year	472,844,120	398,820,500

\$

\$

Net assets attributable to unitholders**1,956,114,002** **1,757,180,421****Net assets attributable to unitholders per unit****4.14****4.41****Class USD A Distribution**

	2021 Units	2020 Units
At the beginning of the financial year	28,344,831	32,023,789
Created	27,526,944	13,653,447
Cancelled	(12,425,410)	(17,332,405)
At the end of the financial year	43,446,365	28,344,831

US\$

US\$

Net assets attributable to unitholders**185,134,865** **131,234,572****Net assets attributable to unitholders per unit****4.26****4.63**

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8. Units in issue (continued)

Class SGD N Accumulation	For the financial period from 19 Aug 2021 (date of inception) to 31 Dec 2021 Units
At the beginning of the financial period	-
Created	26,381,227
Cancelled	(1,225,108)
At the end of the financial period	<u>25,156,119</u>
	\$
Net assets attributable to unitholders	<u>107,364,921</u>
Net assets attributable to unitholders per unit	<u>4.27</u>

The Fund currently offers 3 Classes of units, namely Class SGD A Distribution units, Class USD A Distribution units and Class SGD N Accumulation units. All 3 Classes of units constitute the Fund and have different features. The key differences between the Classes are the management fee rate, currency of denomination and distribution policy applicable to each Class. The Class USD A Dis is subject to foreign exchange risk against the Fund's functional currency. The Class SGD N Acc was inceptioned on 19 August 2021.

Net assets attributable to unitholders ("NAV") is apportioned between all 3 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, Class USD A Dis and Class SGD N Acc 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.

Acc : Accumulation

Dis : Distribution

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8. Units in issue (continued)

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	2021	2020
	\$	\$
Net assets attributable to unitholders per unit per the financial statements	4.14	4.41
Effect of distribution payable per unit	0.09	0.10
Net assets attributable to unitholders per unit for issuing/redeeming of units	4.23	4.51
Class USD A Distribution	2021	2020
	US\$	US\$
Net assets attributable to unitholders per unit per the financial statements	4.26	4.63
Effect of distribution payable per unit	0.10	0.10
Net assets attributable to unitholders per unit for issuing/redeeming of units	4.36	4.73

There is no difference between the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units for the Class SGD N Accumulation units.

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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).

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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.

	2021		2020
Reasonable possible change %	Impact on net assets attributable to unitholders \$	Reasonable possible change %	Impact on net assets attributable to unitholders \$
10	231,306,849	9	172,018,829

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.

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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 2021				
	CNH	HKD	INR	KRW	SGD
	\$	\$	\$	\$	\$
Assets					
Portfolio of investments	243,160,888	819,834,534	340,143,852	281,911,538	46,008,724
Bank balances	1,445	1,211	2,378,109	11	39,614,520
Receivables	-	-	-	-	9,881,482
Total assets	243,162,333	819,835,745	342,521,961	281,911,549	95,504,726
Liabilities					
Purchases awaiting settlement	-	-	2,378,109	-	-
Payables	30,506	-	15,786,743	-	48,767,148
Total liabilities	30,506	-	18,164,852	-	48,767,148
Net financial assets					
Currency spot	243,131,827	819,835,745	324,357,109	281,911,549	46,737,578
	-	-	-	-	(4,934,148)
Currency exposure	243,131,827	819,835,745	324,357,109	281,911,549	41,803,430

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For the financial year ended 31 December 2021

9. Financial risk management (continued)(a) Market risk (continued)(iii) Currency risk (continued)

(continued from previous page)

	TWD \$	As at 31 December 2021 USD \$	Others* \$	Total \$
Assets				
Portfolio of investments	372,380,690	198,507,718	35,614,604	2,337,562,548
Bank balances	-	214,270	18	42,209,584
Receivables	825,007	343,504	-	11,049,993
Total assets	373,205,697	199,065,492	35,614,622	2,390,822,125
Liabilities				
Purchases awaiting settlement	-	4,921,276	-	7,299,385
Payables	-	5,856,980	-	70,441,377
Total liabilities	-	10,778,256	-	77,740,762
Net financial assets				
Currency spot	-	4,934,148	-	2,313,081,363
Currency exposure	373,205,697	193,221,384	35,614,622	

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. Financial risk management (continued)(a) Market risk (continued)(iii) Currency risk (continued)

	As at 31 December 2020				
	CNH	HKD	INR	KRW	SGD
	\$	\$	\$	\$	\$
Assets					
Portfolio of investments	142,856,529	683,144,962	238,267,439	289,705,939	33,331,325
Bank balances	1,236	530,121	-	-	12,572,980
Receivables	-	-	-	-	12,205,037
Total assets	142,857,765	683,675,083	238,267,439	289,705,939	58,109,342
Liabilities					
Purchases awaiting settlement	-	738,116	-	-	-
Payables	29,266	-	6,631,880	-	44,834,575
Total liabilities	29,266	738,116	6,631,880	-	44,834,575
Net financial assets					
Currency spot	142,828,499	682,936,967	231,635,559	289,705,939	13,274,767
	-	739,435	-	-	(739,435)
Currency exposure	142,828,499	683,676,402	231,635,559	289,705,939	12,535,332

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SCHRODER ASIAN GROWTH FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

9. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

(continued from previous page)

	TWD \$	As at 31 December 2020 USD \$	Others* \$	Total \$
Assets				
Portfolio of investments	236,824,241	299,683,196	33,990,817	1,957,804,448
Bank balances	-	1,093,683	17	14,198,037
Receivables	678,744	2,348,556	-	15,232,337
Total assets	237,502,985	303,125,435	33,990,834	1,987,234,822
Liabilities				
Purchases awaiting settlement	-	-	-	738,116
Payables	-	4,373,073	-	55,868,794
Total liabilities	-	4,373,073	-	56,606,910
Net financial assets				
Currency spot	237,502,985	298,752,362	33,990,834	1,930,627,912
Currency exposure	237,502,985	298,752,362	33,990,834	

* 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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

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.

	2021	2020
	Less than	Less than
	3 months	3 months
	\$	\$
Purchases awaiting settlement	7,299,385	738,116
Payables	70,441,377	55,868,794
Financial derivatives	12,871	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.

(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.

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NOTES TO THE FINANCIAL STATEMENTS

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9. Financial risk management (continued)

(c) Credit risk (continued)

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.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default, considering both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2021 and 31 December 2020, the Fund's financial assets (except portfolio of investments and/or financial derivatives) as disclosed in the Statement of Financial Position are realised within three months. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

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 2021	Credit rating	Source of credit rating
<u>Bank & Custodian</u>		
The Hongkong and Shanghai Banking Corp Ltd	a2	Moody's
<u>Counterparty</u>		
Australia & New Zealand Banking Group Ltd	a2	Moody's
BNY Mellon NA	a1	Moody's
Citibank NA	baa1	Moody's
Deutsche Bank AG	baa3	Moody's
JPMorgan Chase Bank NA	a2	Moody's

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9. Financial risk management (continued)

(c) Credit risk (continued)

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

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 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)

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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 2021			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Assets				
Financial assets at fair value through profit or loss				
Equities	2,337,562,548	-	-	2,337,562,548
Liabilities				
Financial liabilities at fair value through profit or loss				
Financial derivatives	-	12,871	-	12,871
	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

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.

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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.

	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		Net amount \$
				Financial instruments \$	Cash collateral \$	
Contracts: Spot foreign exchange	12,871	-	12,871	-	-	12,871

	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		Net amount \$
				Financial instruments \$	Cash collateral \$	
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.

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 2021

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:

	2021 \$	2020 \$
Current accounts	42,209,584	14,198,037

11. Financial ratios

	For the financial period from 19 Aug 2021 (date of inception) to				
	2021 Class SGD A Dis	2021 Class USD A Dis	31 Dec 2021 Class SGD N Acc (annualised)	2020 Class SGD A Dis	2020 Class USD A Dis
Expense ratio ¹	1.35%	1.34%	0.55%	1.33%	1.34%
	Fund			Fund	
Turnover ratio ²		16.20%		18.41%	

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 values for each class 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. Expenses which are common to all Classes are apportioned based on the proportion of NAV of each Class. 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 values are based on the daily balances.

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 2021

11. Financial ratios (continued)

Expense ratio calculations	2021		For the financial period from 19 Aug 2021 (date of inception) to 31 Dec 2021		
	Class SGD A Dis	Class USD A Dis	Class SGD N Acc	2020 Class SGD A Dis	2020 Class USD A Dis
Total operating expenses	\$ 27,120,382	\$ 3,183,225	\$ 221,276	\$ 19,419,428	\$ 1,768,900
Average net asset value	2,014,800,294	237,593,096	107,834,384	1,457,904,117	132,443,308

- 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	2021		2020	
	\$		\$	
Lower of purchases or sales	382,369,236	(sales)	292,834,664	(purchases)
Average net asset value	2,360,227,774		1,590,347,425	

REPORT TO UNITHOLDERS

31 December 2021

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

1. Top 10 holdings of the Fund as at 31 December 2021:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Taiwan Semiconductor Manufacturing Co Ltd	233,546,390	10.09
Samsung Electronics Co Ltd	192,465,869	8.32
Tencent Hldg Ltd	112,222,038	4.84
AIA Group Ltd	74,433,319	3.21
Techtronic Ind Co Ltd	68,180,564	2.95
Infosys Ltd	66,981,584	2.89
HDFC Bank Ltd	65,629,208	2.84
MediaTek Inc	64,770,355	2.80
ICICI Bank Ltd	63,965,618	2.77
Apollo Hospitals Enterprise Ltd	63,958,645	2.77

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

The Fund was not invested in other unit trusts, mutual funds or collective investment schemes as at 31 December 2021. For the full composition of investments of the Fund as at 31 December 2021, refer to the Statement of Portfolio on pages 11 to 15.

REPORT TO UNITHOLDERS

31 December 2021

2. The Fund has the following exposure to financial derivatives as at 31 December 2021:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Contracts:		
Spot foreign exchange	(12,871)	(*)

* Less than 0.01

The net loss on financial derivatives realised in the period 1 January 2021 to 31 December 2021 amounted to \$985,050.

The net loss on outstanding financial derivatives marked to market as at 31 December 2021 amounted to \$12,871.

3. The Fund did not have any borrowings as at 31 December 2021.
4. The amount of subscriptions and redemptions in the period 1 January 2021 to 31 December 2021 were as follows:

	\$
Subscriptions	1,160,158,259
Redemptions	608,153,349

5. Expense Ratio

Class SGD A Distribution

1 January 2021 to 31 December 2021 1.35%

1 January 2020 to 31 December 2020 1.33%

Class USD A Distribution

1 January 2021 to 31 December 2021 1.34%

1 January 2020 to 31 December 2020 1.34%

Class SGD N Accumulation

19 August 2021 (date of inception) to 31 December 2021 (annualised) 0.55%

REPORT TO UNITHOLDERS

31 December 2021

6. Turnover of Portfolio

1 January 2021 to 31 December 2021	16.20%
1 January 2020 to 31 December 2020	18.41%

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.

9. Performance of Fund for periods ended 31 December 2021

	3	6	1	3	5	10	Since
	mths	mths	yr	yrs*	yrs*	yrs*	Launch**
Class SGD A							
Distribution	-1.5%	-8.3%	-2.3%	14.5%	12.9%	11.4%	9.2%
Benchmark**	-1.9%	-10.2%	-2.8%	11.7%	9.8%	8.4%	6.4%
Class USD A							
Distribution	-0.8%	-8.6%	-4.2%	14.9%	14.5%	10.9%	11.1%
Benchmark**	-0.8%	-9.1%	-2.9%	12.3%	10.8%	7.9%	9.1%
Class SGD N							
Accumulation	-1.3%	-	-	-	-	-	-4.1%
Benchmark**	-1.9%	-	-	-	-	-	-2.9%

* Returns of more than 1 year are annualised

Since launch figures from 8 May 1991 (Class SGD A Dis), 30 April 2004 (Class USD A Dis) and 18 August 2021 (Class SGD N Acc)

** 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)

