Schroder Oriental Income Fund Limited

Annual report and accounts
for the year ended 31 August 2024

Schroders

Performance Summary

NAV per share total return*
18.2%
(2023: –3.5%)

Share price total return*
15.3%
(2023: –3.1%)

Ongoing charges ratio*
0.88%
(2023: 0.88%)

Dividends per share
12.00p
(2023: 11.80p)

Some of the financial measures here are classified as Alternative Performance Measures, as defined by the European Securities and Markets Authority and are indicated with an asterisk (*). Definitions of these performance measures, and other terms used in this report, are given on pages 73 to 74, together with supporting calculations where appropriate.

Investment objective

The investment objective of the Company is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields. The full published investment policy can be found on pages 17 to 18.

What does the Company seek to achieve?

Asian companies are increasingly world-leading and returning cash to shareholders. Schroder Oriental Income Fund Limited (the "Company") aims to tap into the Asian income story and help investors diversify their dividends.

- **Offering a reliable, yet diversified, source of growing income**
  By focusing on quality companies with attractive dividend growth prospects, the Company's investment manager is confident in the portfolio's income generating potential. Having grown its dividend every year since launch, the Company is classed in the AIC's next generation of dividend heroes.
- **A disciplined focus on companies with excellent long-term growth prospects**
  The Company is well placed to capitalise on the growing prominence of Asian companies that are transforming their sectors, providing investors with potential for an attractive level of capital growth as well as income.
- **Harness decades of deep expertise**
  Schroders is an acknowledged expert in Asian equity investing. The portfolio manager draws upon the extensive resources of Schroders' Asia Pacific equities research team based in six offices across the region, as well as Schroders' London-based specialists. The strength of these resources gives the portfolio manager an advantage in under-researched and inefficient markets.

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

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

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of investments to fall as well as rise. Performance data does not take into account any commissions and costs, if any, charged when units or shares of any fund, as applicable, are issued and redeemed. Relevant risks as associated with this Company are shown on page 77 and should be carefully considered before making any investment.

Share price discount to NAV per share*

7.1%

(2023: 4.5%)

Revenue earnings per share

11.29p

(2023: 11.81p)

Gearing*

4.4%

(2023: 4.4%)

Share price

269.0p

(2023: 244.50p)

Net revenue return after taxation

£27.9m

(2023: £30.4m)

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Strategic Report

Strategic Report

> *A pound invested at the launch of the Company in 2005 would today be worth £6.38 if you had reinvested your dividends. In comparison, the Asian region (as reflected by our reference index) would have produced £4.14 and, interestingly, a pound invested in the FTSE100 Index would be worth just £3.27.*

Performance and background

I'm pleased to be able to report another period of strong performance for the Company. The NAV total return per share for the financial year ended 31 August 2024 was 18.2%, with the share price total return a little lower at 15.3%. These returns compare very favourably with our reference index, the MSCI AC Pacific ex Japan Index in sterling terms, which rose by just 8.6%. Much of the market performance came in the second half of the period as the outlook for US interest rates brightened, boosting sentiment in equity markets and weakening the US dollar, which traditionally helps the Asian region. The Portfolio Manager provides a full account of the period in this report on page 6 and it does appear that the outlook for Asia is now improving.

This is my last report to you. Following nine years' service, I am not seeking re-election at the Company's Annual General Meeting to be held on 3 December 2024. I have thoroughly enjoyed my time as Chairman and, reflecting over the last nine years, much has changed during that period. To name but a few milestones: globalisation has reversed towards fragmentation and protectionism, the pandemic disrupted global trade, authorities' policy responses and war saw inflation soar and interest rates "normalise" and we saw Richard Sennitt, supported by Abbas Barkhordar, take the reins from Matthew Dobbs as day to day Portfolio Manager of the Company. However, despite all of that, Schroders' approach to managing your money has remained calm, consistent and effective. Schroders continue to use their deep, long-standing Asian expertise to seek quality stocks with reliable and growing income. They are stock-pickers and do not rely upon predicting events or trading based on macro-economic trends. Their approach has proven resilient and the Company has notably outperformed the reference index over one, three, five and ten years, as well as since inception in 2005. It has generated highly attractive returns. Indeed, a pound invested at the launch of the Company in 2005 would today be worth £6.38 if you had reinvested your dividends. In comparison, the Asian region (as reflected by our reference index) would have produced £4.14 and, interestingly, a pound invested in the FTSE100 Index would be worth just £3.27.

Nonetheless, one area that has seen constant evolution of approach is Schroders' embedding of environmental, social, and governance ("ESG") considerations into investment decision making. As we have noted before, Schroders have long considered sustainability as a key factor in investing and, more recently, have invested materially in data and analytics to enhance this input. During the period, the Board deepened its scrutiny of how ESG is integrated into the Manager's investment process in the context of evolving regulation and industry best practice as well as better understanding the influence on our portfolio decision making. More information on this topic can be found on page 21.

I mentioned earlier that I am handing over the baton and I am pleased to be able to announce that Nick Winsor will succeed me as Chairman from the AGM. Nick has served on the Board since 2020 and is an experienced non-executive following an executive career in financial services in Asia and Europe. During the past financial year, we were sad to say goodbye to Kate Cornish-Bowden who retired as a director and we welcomed Sam Davis to the Board in July this year. Sam was CEO of Putnam Investments Limited and co-head of equities for Putnam. We are delighted that he has agreed to join us and he is already making his mark. Going forward, the Board has a really strong combination of skills and expertise and combines corporate memory and new perspectives.

As the Portfolio Manager notes in his report, payouts from our portfolio have begun to improve again. The recent strengthening of sterling has tempered the benefit of this a little in our hands but, nonetheless, with payout ratios in the Asian region remaining very undemanding, we can have increased confidence in our future earnings stream. This has enabled us, once again, to grow our own dividend to you, even though receipts over the year, once converted into sterling, were down a little relative to the prior year. We retain very robust revenue reserves should receipts dip again in future years. In respect of the financial year we declared dividends totalling 12.00p per share, an increase of 1.7% year on year. This represents a yield of 4.4% on the share price as at 22 October 2024. This is our 19th year of unbroken growth in our dividend. The Board is confident of further dividend growth in the future and that would see us become an "AIC Dividend Hero"[1] absent unforeseen circumstances.

[1]The AIC dividend heroes are the investment companies that have consistently increased their dividends for 20 or more years in a row.
https://www.theaic.co.uk/income-finder/dividend-heroes

Strong performance and an attractive, growing dividend have not been sufficient, however, to narrow our share price discount to NAV. This remains stubbornly in mid single digits and, it would seem, will need to await a turn in the tide of sentiment to the investment trust sector as a whole before it will return to the modest premium that we were accustomed to prior to COVID. In the meantime, the Board has continued to repurchase shares on days where there was a mismatch between buyers and sellers. Over the financial year, the Company repurchased 11,395,000 shares at an average discount of 6.1%. We remain committed to repurchasing shares in the future when we believe that it is in the best interests of shareholders.

Earlier, I noted the strong performance of the Company over its 19 years of life. The question is, looking forward, will this persist? As I hand over the baton, I see no reason why not. Asia remains a vibrant and growing region, largely unfettered by the headwinds, such as huge government debts and weak productivity growth, faced by Europe and North America. And issues that have troubled Asia in the past, like large current account deficits or poor corporate governance, are generally diminishing. China faces challenges in some sectors of its economy and, in the longer term, declining demographics. However, recent years have shown that the rest of the region can begin successfully to uncouple its fortunes from China. Economic cycles will come and go, markets will wax and wane, just as they have since 2005. Yet, the region remains fertile territory for a disciplined stock picker such as Schroders and the Company remains as relevant for investors today as it did at inception.

Finally, I would like thank you for your support and loyalty to the Company. It has been my privilege to serve this Company and I am confident that I leave you in excellent hands as regards both the Board and in the Manager.

Paul Meader
Chairman

23 October 2024

Richard Sennitt

> *Over the past six months, Asian markets have proven to be relatively resilient, making absolute gains and matching global returns.*

In what has been a volatile year for Asian markets, I'm happy to be able to say that the Company has achieved strong absolute gains whilst meaningfully outperforming the region. China's economic struggles weighed on broader sentiment but the global drivers of falling interest rate expectations and a robust technology sector, an area where Asia has some of the world's leading companies, saw Asian markets rebound in the second half of 2024, matching global returns.

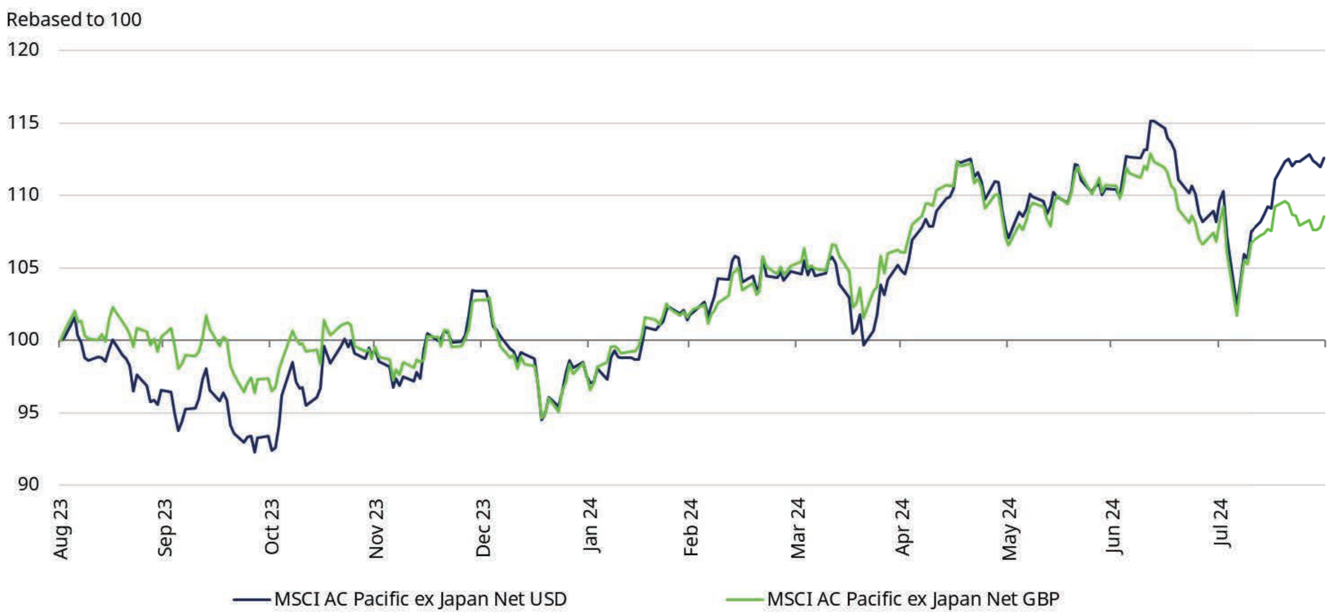
Against this backdrop, the net asset value per share of the Company recorded a total return of 18.2% over the 12 months to end August 2024 helped by meaningful allocations to Taiwan, which is heavily exposed to the AI theme, and Singapore, where financials were strong. This compared favourably to a regional benchmark which rose 8.6% over the period. Four interim dividends have been declared in respect of the financial year totalling 12.00p (11.80p last year).

This report delves further into the drivers of this performance as well as factors influencing the current investment landscape and the potential implications for investors.

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

Performance of the MSCI AC Pacific ex Japan net dividends reinvested Index in GBP and USD – 31 August 2023 to 31 August 2024

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



Source: Thompson Datastream as at 31 August 2024.

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At the interim we had said that the backdrop for Asian markets was more constructive, but why did we see a market rally in the second half?

Firstly, during the period expectations for interest rate cuts in the US waxed and waned, but ultimately disinflationary trends across major global economies led to increased confidence that developed market central banks would be moving into an interest rate-cutting cycle in the second half of 2024. This is generally a helpful backdrop for markets.

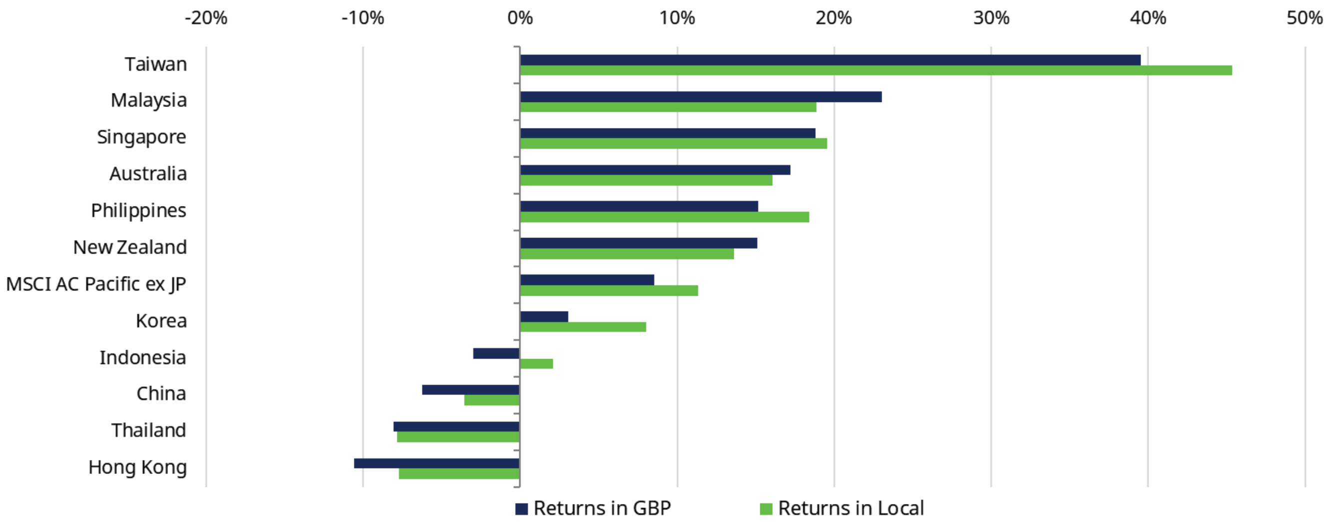
Secondly, markets rose globally, with the "Magnificent Seven" leading the market higher, driven by optimism over the impact of artificial intelligence ("AI") and the knock-on demand for technology products being sold by the likes of Nvidia. This was mirrored in Asia, with the information technology ("IT") sector by far the strongest sector over the year, not only benefitting from the AI thematic but also a cyclical improvement across the broader industry. Country-wise, Taiwan was the biggest beneficiary of this trend as demand for the most advanced logic processors, essentially manufactured by one company globally (**Taiwan Semiconductor Manufacturing Corporation** – "**TSMC**"), continued unabated. This also led to companies in the supply chain, however peripheral, making significant gains as retail interest took hold in many segments of the market.

Singapore and Australia were the two other major markets that outperformed the reference index over the period. Australia benefited from the same disinflationary trends seen in other major markets, with inflation appearing to be peaking, leading to hopes that rates had peaked and could start to be cut following 13 successive hikes. Banks performed strongly against this backdrop, with resources coming under pressure as concerns over the strength of the Chinese economy and its troubled property sector gained traction. In Singapore, the market saw broad based strength with financials doing well as banks were seen as beneficiaries of the delay of rate cuts under a "higher-for-longer" scenario seen during the second half.

There was a wide spread between the highest and lowest returns across the region. Whilst Taiwan benefitted from the global AI thematic, China and Hong Kong were the laggards amongst the major markets, with both falling in sterling terms, principally on the back of slowing domestic growth. In China, sentiment swung on the expectations around potential stimulus packages, which generally disappointed the market, tending to be piecemeal in nature and lacking the 'shock and awe' of packages seen in the post-GFC (Global Financial Crisis) period. All this saw consumer confidence stagnate at low levels, with the weak property sector adding to the gloom. This weakness sparked a raft of measures to try and stabilise the sector, including a plan to buy in excess inventory from the private sector with the intention to repurpose units as social housing, in addition to monetary easing and a rolling back of restrictions around property purchases. On the bright side, exports showed signs of a pick up, and, although international investor concerns around geopolitical and domestic regulatory risks continued to weigh, there was some relief around geopolitical tensions, with the meeting of Presidents Xi and Biden at last year's November APEC (Asia-Pacific Economic Cooperation) summit in California. Additionally, the Taiwanese election passed off uneventfully, with a result that was broadly in line with expectations. Nevertheless, there is little sign of any easing of US policies towards China, if anything quite the opposite, and, with a presidential election looming in the US later in the year, little reason to expect much on this front in the short term.

Country returns of the MSCI AC Pacific ex Japan net dividends reinvested Index in GBP and local currency – 31 August 2023 to 31 August 2024

MSCI AC Pacific ex Japan net returns by country 31 August 2023 to 31 August 2024



Source: Schroders, Factset.

Past performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Any reference to regions/countries/sectors/stocks/securities is for illustrative purposes only and not a recommendation to buy or sell any financial instruments or adopt a specific investment strategy.

Looking more broadly across the region, there has been an increased focus in some markets on shareholder returns which could potentially result in improved dividend payouts. This includes Korea, where the government launched a "value up" programme (on improving corporate governance and shareholder returns) earlier in the year, not unlike that seen in Japan. Progress here is likely to take time and requires some legislative changes to maximise its impact, but despite this we have seen some increases in dividend payouts coming out of companies. China has also been encouraging companies to focus more on shareholder returns – as a result, we have seen some companies increase the frequency of dividends and there has been a marked increase in buybacks in some sectors, such as amongst the internet names. These are obviously positive changes and augur well for a potential improvement of payout ratios in the medium term. Unsurprisingly dividends over the period were influenced by earnings. As an example, financials broadly saw increases as banks benefitted from higher interest rates which boosted margins and earnings. Where dividends were pared back, it tended to be in stocks in more cyclical areas such as Australian resources, or other economically sensitive industries. Otherwise, as highlighted in the Chairman's Statement, sterling has also generally been firmer against most currencies, in year-on-year terms, which has been a headwind.

Positioning and Performance

As we highlighted above, the Company made a strong positive return over the period, with a NAV total return of 18.2% which was considerably better than the reference index return of 8.6%. Our significant underweight allocation to and strong stock selection in China was a major positive contributor to relative performance, as was stock selection in Taiwan, Korea and Hong Kong. In China, strong selection came from stocks such as **Midea**, a manufacturer of branded white goods including air conditioners, and an absence of some of the e-commerce companies that pay little or no dividend. Although our overweight to Hong Kong was a headwind, our stock selection there more than offset that, with telecom operator **HKT Trust & HKT Ltd** the standout performer. Positive stock selection in both Taiwan and Korea was also noteworthy, with IT companies the driver including fabless design house **MediaTek**, foundry **TSMC** and **Hon Hai** a contract manufacturer that is benefitting from the increased demand for high end servers used in AI. In Korea, companies that could benefit from an improvement in shareholder focus also did well, including non-life insurance company **Samsung Fire & Marine**. The ASEAN markets of Indonesia and the Philippines also made positive stock contributions through holdings such as **Bank Mandiri** and port operator **ICTSI**, as did the overweight to and stock selection in Singapore. Stock selection in Australia lagged, as our positive financials return was offset by our positions in resources and telecom operator **Telstra**. From a sectoral perspective, stock selection in and overweight to IT and financials were our main positive contributors. Stock selection in industrials, materials and consumer staples was also positive. The overweight to real estate was the biggest drag.

The geographic exposure in the Company's portfolio continues to be focused on core markets such as Taiwan, Australia, Singapore, Korea, and China. China remains a substantial underweight, but we have looked to narrow that given its relative underperformance and sell off in certain areas. This has seen us buy a new position in **NetEase**, the video game company which operates in an increasingly consolidated marketplace and has improved its shareholder return policy. In our view, given its undemanding valuation, it has the potential to benefit from its upcoming pipeline of game launches. Other additions included to **Shenzhou** the sportwear manufacturer which had been sold down on a weaker outlook. The underweight continues to be partly offset by the overweight to the Hong Kong market which, in general, looks more attractive from a valuation perspective, albeit we have reduced exposure to some of the real estate names, including selling out of **Fortune REIT** and **Kerry Properties**, which had done relatively well. We also initiated a position in regional insurer **AIA** which has come out with an improved shareholder return policy, having been sold down dramatically on concerns over the Hong Kong business. Following its sell down valuations are now much more attractive and it should be a key beneficiary of rising levels of insurance cover, from what are very low levels when compared to markets like the UK, as increasing GDP growth leads to a growing middle class and increased affordability. Elsewhere, we continue to like Singapore, with positions in the banks and **Singapore Telecom**, as well as being overweight to some of the smaller markets such as Indonesia and the Philippines.

From a sectoral perspective our main additions were into some of the traditionally more defensive areas that had underperformed, such as consumer staples and healthcare. In Australia, we added to positions in supermarket operator **Coles**, and diagnostics company **Sonic Healthcare**. We also added to consumer discretionary via a new position in **Kia**, the Korean automaker that is well positioned in the growing hybrid segment. Its models have been well received by the market, resulting in lower incentives, and margins have benefited from an improvement in mix. It also should be a beneficiary of the "value up" programme where there is scope for further improvements in shareholder returns. These additions were, in part, financed by reductions to real estate, selling out of a number of names, not only in Hong Kong but also in Thailand and Australia. In financials we made a net reduction to our overweight by reducing our banks exposure, including the Australian names and **SMFG** in Japan, that had performed well. In part, the proceeds were reinvested in Singapore banks which had lagged earlier in the period on concerns over falling rates. Financials and IT remain the Company's two largest exposures, with the IT exposure predominantly coming through positions in Taiwan and Korea, where both the cycle and long-term outlook remains favourable.

Investment Outlook

I'll start by looking at a couple of the concerns that the market has. Amongst these, geopolitics has continued to be a concern in the region, with tensions around US-China relations, Taiwan, Ukraine and the Middle East all contributing to investor caution. However, regional elections (Taiwan, Korea, Indonesia and India) have all passed reasonably smoothly, but it is the upcoming US elections which appear finely poised, that have potentially very divergent impacts on Asia depending on the result. Here, there is potential for increases in tariffs on Chinese (and anyone else importing into the US) exports if Trump is elected. Although there is uncertainty as to what further tariffs or restrictions are put on China's (and other countries') ability to do business in the US, it is clear that in such a tight electoral race there is likely to be quite a lot of noise on these issues, which could well increase volatility.

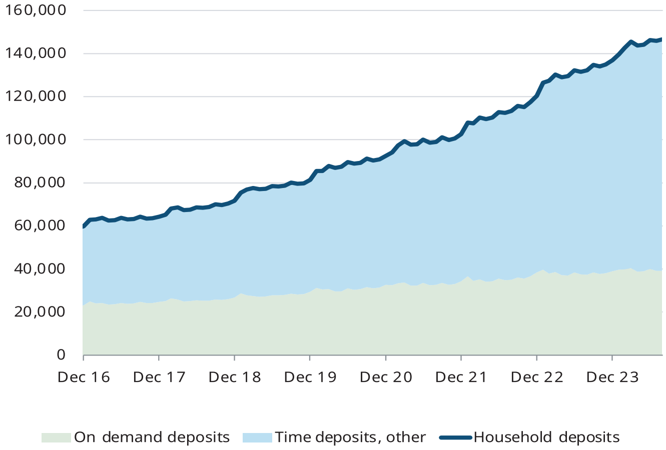
Within the region, the Chinese economy remains weak as consumer confidence is still extremely low, with this increasingly being reflected in poor retail sales and greater evidence of downtrading. This weak confidence in part reflects a weaker job market together with falling property prices. All this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

Stimulus has been focussed more on the supply side rather than demand

Poor China confidence[1]

Source: [1] Refinitiv Datastream, as at 30 September 2024.

Resulting in consumer saving more[2]



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

The key domestic overhang remains the property market, where activity and prices are yet to recover from earlier significant falls. Although the government has made some announcements to try to put a floor under the property market, in reality the fiscal sums backing these interventions are (so far) very small compared to the scale of the problem, and unlikely to make more than a marginal difference. Given this, and the structural challenges facing stock-pickers in China (poor capital allocation, structurally lower nominal growth, unpredictable regulatory and policy shifts, high debt levels), we remain significantly underweight the market albeit less so than where we were 12 months ago with the biggest underweight there being towards the internet platform companies. Although these names have been increasing their returns to shareholders this is principally being done via buybacks, rather than through dividends, so it remains an area where we are likely to be underweighted.

It is noteworthy that the most recently announced stimulus measures, at the time of writing, appear more substantive and coordinated and have provoked a meaningful rally in the stock market. Whilst we also view the stimulus as positive, in our view, the rally has already started to discount further easing and, therefore, risks disappointing. Aside from the size of any further measures it is also how it is spent that is key with a need, in our view, to have more of a focus on the demand side of the economy if the consumer is to get out of its malaise.

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

Australia continues to be a market that has historically offered strong long-term returns, in large part due to the reinvestment of dividends, but valuations are not obviously cheap versus the rest of the region, given its outperformance. Our principal exposure continues to be through the materials and financial sectors, but a derating of the health care sector and underperformance of consumer staples has seen us add to exposure there. More recently, the prospects of a soft landing have also seen banks perform strongly, which has led us to reduce our exposure to them. We continue to maintain exposure to the commodities names via the diversified resource names, where capital expenditure has remained relatively restrained, limiting supply in what ultimately remains a sector that is expected to benefit from ongoing decarbonisation spend. In the South-East Asian region, we are most exposed to Singapore, which is benefitting from its increasing status as a regional wealth management hub, as well as the growth of its ASEAN neighbours.

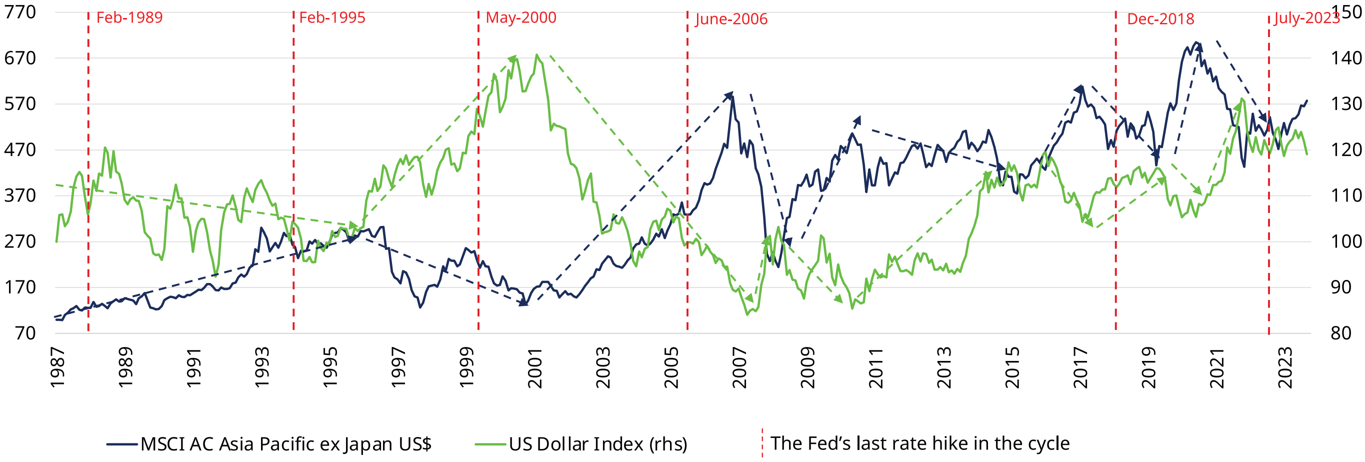
From a sector perspective, we remain overweight IT, given our positive view on the structural growth drivers behind global demand for technology, particularly advanced semiconductors. Valuations have moved higher on cyclical improvements as well as the surge in demand for AI-related hardware. However,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

We also remain overweight to financials – a diverse sector spanning not only banks, but also insurers and exchange companies. The banks we own are generally well-capitalised with strong deposit franchises. Many of our holdings are in the more mature markets, such as Singapore, which in general trade at attractive valuations and decent dividend yields, but we also have exposure to their faster growing hinterland. Direct exposure to faster growing markets is largely through Indonesia, where credit penetration is relatively low. With interest rates starting to come down, there has been some concern over the impact that this could have on bank margins. Albeit cuts will have an impact, in part, this should be offset by lower credit costs, potentially higher loan growth and an increase in wealth management revenues.

Aggregate valuations for the region are no longer particularly cheap, now trading at slightly above long-term averages. However, this masks a large variation across individual markets where Singapore, China and Hong Kong, amongst others, look relatively cheap versus history, whilst Taiwan looks relatively expensive and we have marginally reduced the size of our weighting there. Historically, a weaker US dollar has been positive for Asia, rather than interest rate cuts per se, although the latter are clearly supportive of greater liquidity.

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

Softer dollar and US rates peaking should be supportive



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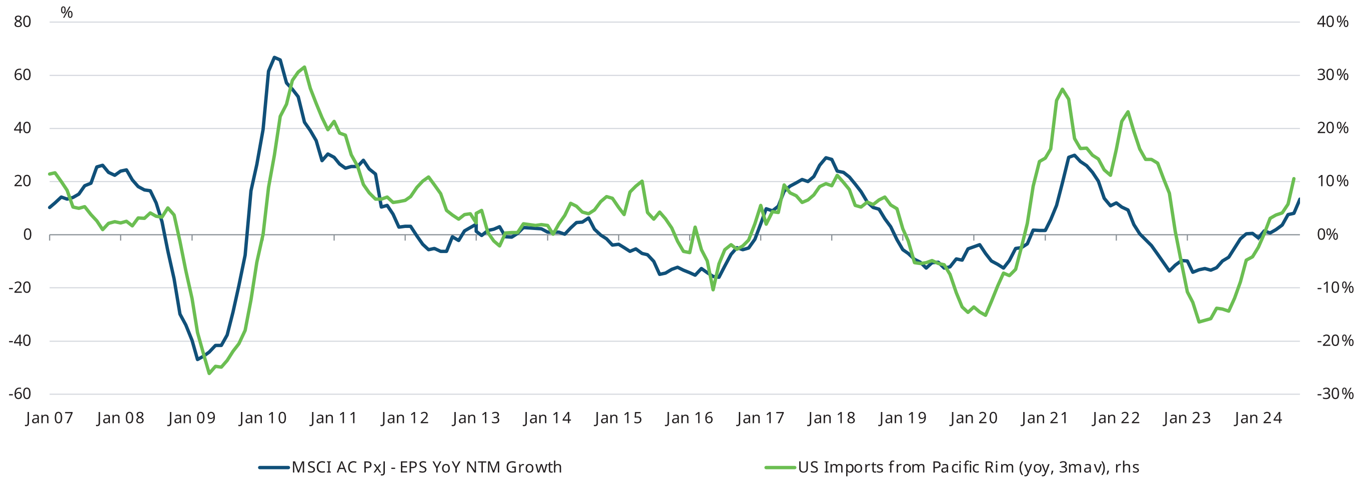
Source: Refinitiv Eikon Datastream, as at 31 August 2024. The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

The other historically positive driver of Asian markets is the export cycle, as this tends to be correlated with underlying earnings per share ("EPS") growth and here we believe there has been an improvement. Inventory excesses from the post-COVID period have been run down and many industries have become more disciplined around production and supply additions, as highlighted in the interim report. This has seen exports recover for many Asian countries and we believe a soft landing in the US would be supportive of that trend continuing, albeit at a slower delta. Here, cuts in interest rates are key to avoid a sharper slowdown in US demand.

Asia's earnings are historically correlated to exports

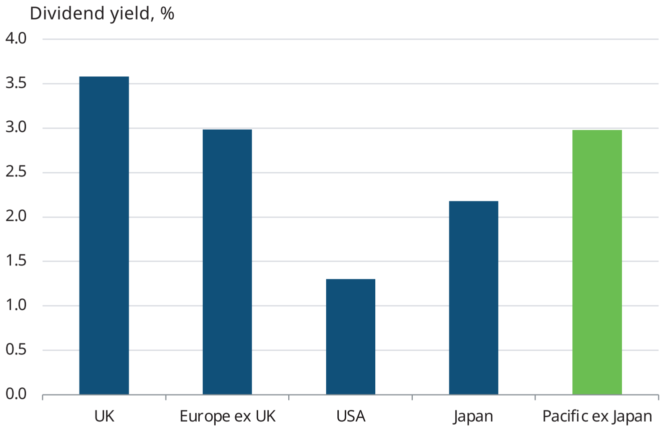


Source: Bloomberg, Factset, as at September 2024. The regions, countries and sectors shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

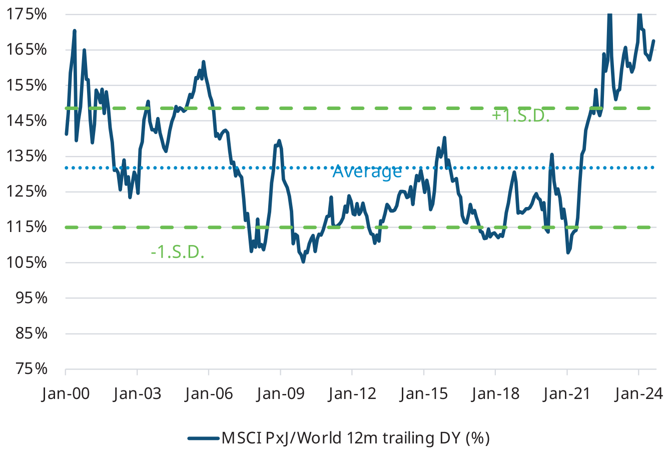
Turning to the income case for Asia – we believe the dividend yield looks relatively attractive at the moment versus a global benchmark and, as outlined above, over the medium to long term, dividends tend to follow earnings.

Asian yield in context

Yield by region[1]



MSCI AC Pacific ex Japan versus MSCI World relative dividend yield[2]



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

The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Source: [1] Factset, MSCI as at 31 August 2024. Pacific ex Japan is based on MSCI AC Pacific ex Japan.

[2] Factset, MSCI as at 31 August 2024.

Often there is concern over the sustainability of dividends across Asia, given how it is viewed as a more volatile and cyclical region versus other parts of the world. Whilst we believe there is some truth to that assertion, it is also true that the payout ratio for the region does not look extended and gearing ratios look relatively low versus elsewhere, meaning that there should be resilience in dividends should a slowdown eventuate.

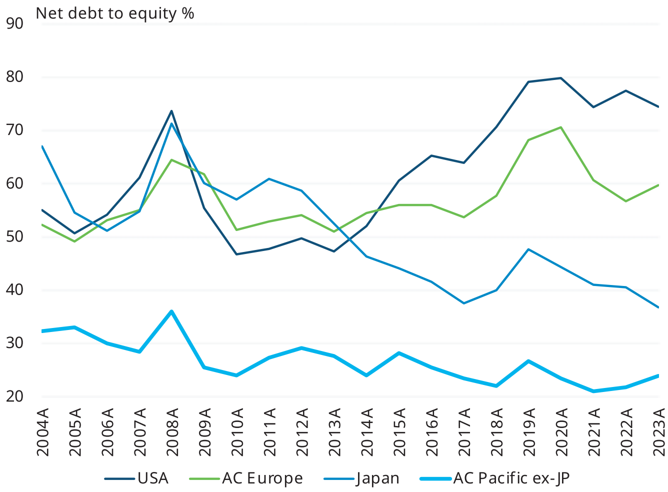
Asian income – reasons for resilience

Payout ratios rose as earnings fell[1]

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

Source: [1] Factset, Schroders, 30 June 2024.

MSCI regions (ex-fin) – net gearing trend[2]



[2] Note: Bottom-up aggregated with free float adjustment based on current MSCI universe. Source: Jefferies, FactSet, June 2024. Countries and regions shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Over the longer term some markets where payout ratios have been lower, such as Korea and China, are starting to take action which should also be helpful. However, one area which could lead to an increase in volatility of payments to the sterling investor is the level of sterling versus Asian currencies. Here, the currency has been quite strong over the year, thus impacting the progression of dividend growth.

In summary, with rates already starting to fall and consensus projecting further cuts, this could see a weaker dollar and be a potential catalyst for the markets if history is any guide to go by. Combining this with a potential soft landing in the US, which would be supportive of the goods export cycle, would potentially provide a helpful backdrop for Asian markets, barring a more extreme geopolitical risk event. We should note that, in the short term at least, shifting views on the outcome of the US election and ongoing announcements around Chinese stimulus are likely to lead to volatility in regional markets.

Thank you for your continued trust and investment in the Schroder Oriental Income Fund.

Richard Sennitt
Portfolio Manager
Schroder Investment Management Limited
23 October 2024

Sectoral breakdown of portfolio*

	Portfolio Weight (%)
Information Technology	31.4
Banks	23.0
Communication Services	11.3
Other Financials	10.9
Real Estate	6.8
Consumer Staples	5.0
Materials	4.9
Consumer Discretionary	4.8
Energy	2.8
Industrials	2.3
Health Care	1.2
Utilities	–

*Gearing, i.e. net cash less loans outstanding, currently at 4.4%.
Source: Schroders as at 31 August 2024.
Any reference to regions/countries/sectors/stocks/securities is for illustrative purposes only and not a recommendation to buy or sell any financial instruments or adopt a specific investment strategy.

Regional breakdown of portfolio*

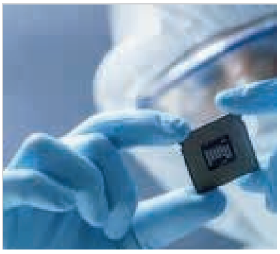
	Portfolio Weight (%)
Taiwan	23.2
Australia	20.0
Singapore	15.8
Korea	13.9
China	11.8
Hong Kong	10.7
Indonesia	4.3
Philippines	1.2
Japan	1.1
Thailand	1.1
Vietnam	1.1
Malaysia	–
New Zealand	–

*Gearing, i.e. net cash less loans outstanding, currently at 4.4%.
Source: Schroders as at 31 August 2024.
Any reference to regions/countries/sectors/stocks/securities is for illustrative purposes only and not a recommendation to buy or sell any financial instruments or adopt a specific investment strategy.

Top 10 Investments
at 31 August 2024

1 Taiwan Semiconductor Manufacturing Corporation (TSMC)

Market value: £76,345,000
% of total investments: 10.4%



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

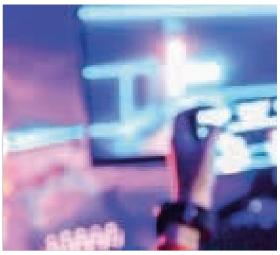
2 Samsung Electronics (including preference shares)

Market value: £58,687,000
% of total investments: 8.0%

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

3 Singapore Telecommunications (Singtel)

Market value: £23,652,000
% of total investments: 3.2%



Singapore Telecommunications is a leading telecommunications company based in Singapore. As well as being the leading player in Singapore it also owns the number 2 player in Australia, Optus, as well as having a number of stakes in mobile operators across the region including in Indonesia and India. Management has been focused on improving core operations whilst unlocking value by allocating capital more efficiently.

4 Oversea-Chinese Banking Corp (OCBC)

Market value: £23,632,000
% of total investments: 3.2%

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

5 BOC Hong Kong (BOCHK)

Market value: £22,021,000
% of total investments: 3.0%

Bank of China Hong Kong is a leading financial services provider based in Hong Kong serving individual and corporate clients with products like loans, mortgages, credit cards, foreign exchange, and insurance. As a major subsidiary of Bank of China, BOCHK plays a pivotal role in facilitating trade and investment flows between Hong Kong, mainland China, and the rest of the world. The bank is also a designated clearing institution for renminbi (RMB) business in Hong Kong, reinforcing its position as a critical player in the internationalisation of the RMB.

Top 10 Investments
continued

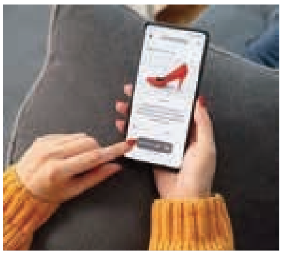
6	**MediaTek**	**Market value: £20,151,000** **% of total investments: 2.7%**

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

7	**DBS**	**Market value: £19,755,000** **% of total investments: 2.7%**

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

8	**Telstra**	**Market value: £19,128,000** **% of total investments: 2.6%**



Telstra is Australia's largest telecommunications and technology company. Its key products and services include mobile and fixed-line telephony, broadband internet, pay television, and digital entertainment. Telstra benefits from its leading position in 5G and operates in a market that has seen consolidation. Management has also been focussed on improving efficiencies across its business.

9	**Midea Group**	**Market value: £18,330,000** **% of total investments: 2.5%**

Midea Group is a Chinese corporation, with a global presence, specialising in consumer appliances and HVAC (heating, ventilation, and air conditioning) systems. Its products include air conditioners and refrigerators as well as offering robotics and industrial automation solutions aimed at enhancing manufacturing efficiency.

10	**Hon Hai Precision Industries**	**Market value: £17,282,000** **% of total investments: 2.4%**

Hon Hai Precision Industry Co., Ltd., known as Foxconn, is a leading Taiwanese multinational electronics contract manufacturer. It is known for assembling a significant portion of Apple's products, including the iPhone. Its server manufacturing business is growing rapidly and is benefiting from the demand for high-end servers needed for AI applications.

Investment Portfolio
at 31 August 2024

Investments are classified by the Manager in the region or country of their main business operations or listing. Stocks in bold are the 20 largest investments, which by value account for 59.8% (2023: 57.9%) of total investments and derivative financial instruments.

	£'000	%
Taiwan		
TSMC	**76,345**	**10.4**
MediaTek	**20,151**	**2.7**
Hon Hai Precision Industries	**17,282**	**2.4**
Delta Electronics	**15,270**	**2.1**
ASE Technology	**14,772**	**2.0**
United Microelectronics	**12,292**	**1.7**
Uni-President Enterprises	7,674	1.0
Total Taiwan	**163,786**	**22.3**
Australia		
Telstra	**19,128**	**2.6**
National Australia Bank	**14,977**	**2.0**
Rio Tinto[1]	**14,418**	**2.0**
BHP Billiton[1]	**13,676**	**1.9**
Suncorp	**12,621**	**1.7**
Coles Group	**11,891**	**1.6**
ANZ Group	11,336	1.5
Woodside Energy	8,577	1.2
Sonic Healthcare	8,248	1.1
Woolworths	7,909	1.1
ASX	6,372	0.9
Westpac Banking	5,344	0.7
Orica	4,556	0.6
Deterra Royalties	2,053	0.3
Total Australia	**141,106**	**19.2**
Singapore		
Singapore Telecommunications	**23,652**	**3.2**
Oversea-Chinese Banking	**23,632**	**3.2**
DBS	**19,755**	**2.7**
CapitaLand Ascendas (REIT^)	10,975	1.5
CapitaLand Integrated Commercial Trust (REIT^)	9,652	1.3
United Overseas Bank	8,995	1.2
Singapore Exchange	8,351	1.1
Venture	6,411	0.9
Total Singapore	**111,423**	**15.1**
South Korea		
Samsung Electronics (including preference shares)	**58,687**	**8.0**
Samsung Fire and Marine Insurance (including preference shares)	**14,791**	**2.0**
SK Telecom	9,293	1.3
KB Financial	8,764	1.2
Kia Corporation	6,695	0.9
Total South Korea	**98,230**	**13.4**
Mainland China		
Midea Group warrants 10/07/25[2] and A shares	**18,330**	**2.5**
China Petroleum & Chemical H shares[3]	11,212	1.5
NetEase	10,229	1.4
Shenzhou International[3]	8,680	1.2

	£'000	%
Mainland China continued		
China Construction Bank[3]	7,726	1.0
Ping An Insurance H shares[3]	7,484	1.0
Sany Heavy Industry A Shares	7,391	1.0
China Pacific Insurance[3]	7,285	1.0
China Resources Land[3]	4,905	0.7
Total Mainland China	**83,242**	**11.3**
Hong Kong (SAR)		
BOC Hong Kong	**22,021**	**3.0**
Hong Kong Exchanges & Clearing	10,975	1.5
HKT Trust and HKT	10,542	1.4
AIA Group	9,005	1.2
Link REIT^	8,848	1.2
Swire Properties	4,947	0.7
Hang Lung Group	3,268	0.4
Swire Pacific B	3,049	0.4
Hang Lung Properties	2,614	0.4
Total Hong Kong (SAR)	**75,269**	**10.2**
Indonesia		
Bank Mandiri	**16,289**	**2.2**
Bank Negara Indonesia	7,025	1.0
Telekomunikasi Indonesia	7,006	0.9
Total Indonesia	**30,320**	**4.1**
Philippines		
International Container Terminal Service	8,654	1.2
Total Philippines	**8,654**	**1.2**
Japan		
Sumitomo Mitsui Financial Group	7,986	1.1
Total Japan	**7,986**	**1.1**
Thailand		
Kasikornbank NVDR*	7,977	1.1
Total Thailand	**7,977**	**1.1**
Vietnam		
Vietnam Dairy Products	7,614	1.0
Total Vietnam	**7,614**	**1.0**
Total Investments[4]	**735,607**	**100.0**

[1]Listed in the UK.
[2]Listed in the Luxembourg.
[3]Listed in Hong Kong.
[4]Total investments comprises:

	£'000	%
Equities and NVDR	667,229	90.7
Preference shares	52,023	7.1
Warrants	16,355	2.2
Total Investments	**735,607**	**100.0**

* "NVDR" means non-voting depositary receipts.
^ "REIT" means real estate investment trust.

10-Year Financial Record

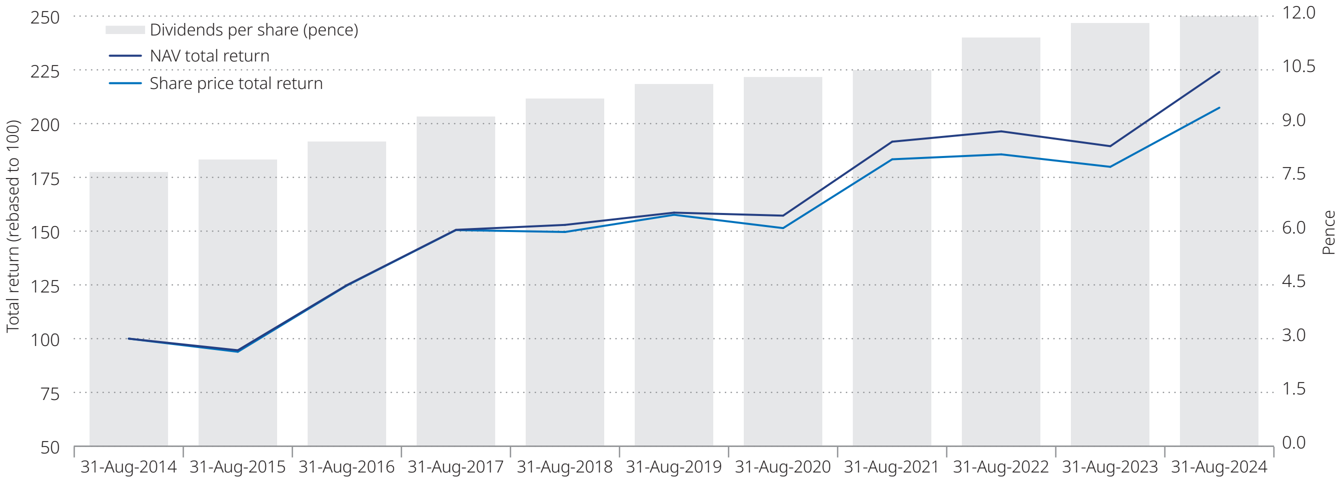
At 31 August	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Shareholders' funds (£'000)	410,090	528,662	635,466	642,711	661,804	646,699	751,419	724,147	648,208	700,315
NAV per share (pence)	175.95	222.56	258.63	252.94	251.94	239.28	280.94	277.24	256.01	289.63
Share price (pence)	176.50	224.50	261.00	250.00	253.00	233.00	271.50	264.00	244.50	269.00
Share price premium/(discount) to NAV per share (%)	0.3	0.9	0.9	(1.2)	0.4	(2.6)	(3.4)	(4.8)	(4.5)	(7.1)
Gearing (%)[1]	5.5	0.4	2.0	4.5	5.3	4.0	2.7	4.0	4.4	4.4

For the year ended 31 August	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net revenue after taxation (£'000)	19,660	21,296	23,939	26,421	27,376	26,537	27,682	34,105	30,399	27,936
Revenue earnings per share (pence)	8.73	9.03	9.94	10.52	10.60	9.86	10.36	12.94	11.81	11.29
Dividends per share (pence)	8.00	8.50	9.20	9.70	10.10	10.30	10.50	11.40	11.80	12.00
Ongoing Charges (%)[2]	0.87	0.89	0.85	0.83	0.86	0.87	0.85	0.86	0.88	0.88

Performance[3]	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
NAV total return	100.0	94.6	124.9	150.6	152.9	158.6	157.2	191.6	196.4	189.5	224.1
Share price total return	100.0	93.9	124.7	150.5	149.6	157.6	151.4	183.4	185.7	179.9	207.4

[1]Borrowings used for investment purposes, less cash, expressed as a percentage of net assets.
[2]Ongoing Charges represents the management fee and all other operating expenses excluding finance costs, transaction costs and any performance fee payable, expressed as a percentage of the average daily net asset values during the year.
[3]Source: Morningstar. Rebased to 100 at 31 August 2014.

NAV and share price total returns, and dividends per share over ten years to 31 August 2024



*Source: Morningstar. Rebased to 100 at 31 August 2014.

Purpose, values and culture

The Company's purpose is to create long-term shareholder value in line with the investment objective.

The Company's culture is driven by its values: transparency, engagement and rigour, with collegial behaviour and constructive, robust challenge. The values are all centred on achieving returns for shareholders in line with the Company's investment objective. The Board also sets out the effective management or mitigation of the risks faced by the Company and aims to structure the Company's operations with regard to all its stakeholders and take account of the impact of the Company's operations on the environment and community.

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

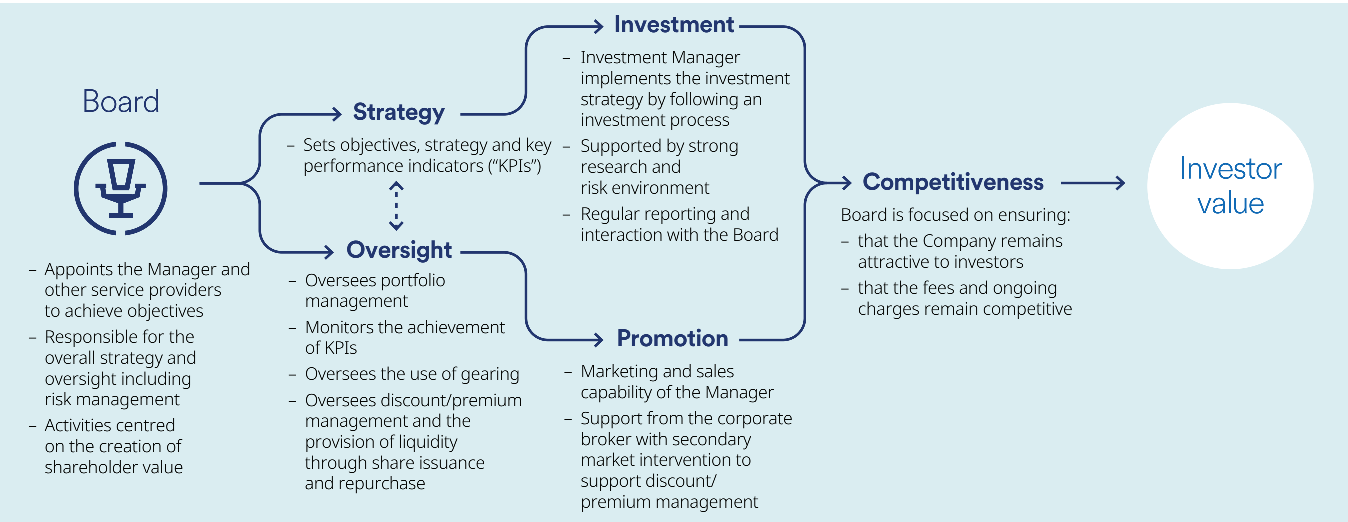
As the Company has no employees and acts through its service providers, its culture is represented by the values and behaviour of the Board and third parties to which it delegates. The Board aims to fulfil the Company's investment objective by encouraging a culture of constructive challenge with the key suppliers and openness with all stakeholders. The Board is responsible for embedding the Company's culture in the Company's operations. The Board recognises the Company's responsibilities with respect to corporate and social responsibility and engages with its outsourced service providers to safeguard the Company's interests. As part of this ongoing monitoring, the Board receives reporting from its service providers with respect to their anti-bribery and corruption policies, Modern Slavery Act 2015 statements, diversity policies, and greenhouse gas and energy usage reporting.

Business model

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

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

The terms of the appointment of the Manager, and the delegation by the Manager of investment management services to Schroder Investment Management Limited ("SIM" or the "Investment Manager"), are described more comprehensively in the Directors' Report. The Manager also promotes the Company using its sales and marketing teams. The Board and Manager work together to deliver the Company's investment objective, as demonstrated in the diagram below.



Investment objective

The investment objective of the Company is to provide a total return for investors primarily through investments in equities and equity- related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields.

Investment policy

The investment policy of the Company is to invest in a diversified portfolio of investments, primarily equities and equity-related investments, of companies which are based in, or derive a significant proportion of their revenues from, the Asia Pacific region. The portfolio is diversified across a number of industries and a number of countries in that region. The portfolio may include government, quasi-government, corporate and high yield bonds and preferred shares.

Equity-related investments which the Company may hold include investments in other collective investment undertakings (including real estate investment trusts and related stapled securities), warrants, depository receipts, participation certificates, guaranteed performance bonds, convertible bonds, other debt securities, equity-linked notes and similar instruments (whether or not investment grade) which give the Company access to the performance of underlying equity securities, particularly where the Company may be restricted from directly investing in such underlying equity securities or where the Investment Manager considers that there are benefits to the Company in holding such investments instead of directly holding the relevant underlying equity securities. Such investments may be listed or traded outside the Asia Pacific region. Such investments may subject the Company to credit risk against the issuing entity. The Company may also participate, subject to regulatory and tax implications, in debt-to-equity conversion programmes.

The Investment Manager may consider writing calls over some of the Company's holdings, as a low risk way of enhancing the returns from the portfolio. The Board has set a limit such that covered calls cannot be written over portfolio holdings representing in excess of 15% of gross assets. However, the Company may only invest in derivatives for the purposes of efficient portfolio management. Investors should note that the types of equity-related investments listed in this paragraph are not exhaustive of all of the types of securities and financial instruments in which the Company may invest, and the Company will retain the flexibility to make any investments unless these are prohibited by the investment restrictions applicable to the Company.

Although the Company has the flexibility to invest in bonds and preferred shares as described above, the intention of the directors is that the assets of the Company which are invested (that is to say, which are not held in cash, money funds, debt securities, interest bearing gilts or treasuries) will predominantly comprise Asia Pacific equities and equity-related investments. The Company is required to obtain the prior approval of the Ordinary Shareholders to any material change to its published investment policy.

Investment restrictions and spread of investment risk

Risk in relation to the Company's investments is spread as a result of the Manager monitoring the Company's portfolio with a view to ensuring that it retains an appropriate balance to meet the Company's investment objective. In order to comply with the Listing Rules, the Company will not invest more than 10%, in aggregate, of the value of its total assets (calculated at the time of any relevant investment) in other investment companies or investment trusts which are listed on the Official List of the Financial Conduct Authority (the "Official List") (save to the extent that those investment companies or investment trusts have stated investment policies to invest no more than 15% of their gross assets in other investment companies or investment trusts which are listed on the Official List). Additionally, the Company will not:

(i) invest more than 15% of its gross assets in other investment companies or investment trusts which are listed on the Official List;

(ii) invest, either directly or indirectly, or lend more than 20% (calculated at the time of any relevant investment or loan) of its gross assets to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates);

(iii) invest more than 20% (calculated at the time of any relevant investment) of its gross assets in one or more collective investment undertakings which may invest more than 20% of its gross assets in other collective investment undertakings;

(iv) invest more than 40% (calculated at the time of any relevant investment) of its gross assets in another collective investment undertaking;

(v) expose more than 20% of its gross assets to the creditworthiness or solvency of any one counterparty;

(vi) invest in physical commodities; or

(vii) invest in derivatives except for the purposes of efficient portfolio management.

In the event of any breach of the investment restrictions applicable to the Company, shareholders will be informed of the actions to be taken by the Manager by notice sent to the registered addresses of the shareholders in accordance with the Company's articles of incorporation or by an announcement issued through a regulatory information service approved by the Financial Conduct Authority ("FCA"). No breaches of these investment restrictions occurred during the year ended 31 August 2024. The Investment Portfolio on page 15 and the Investment Manager's Review on pages 6 to 12 demonstrate that, as at 31 August 2024, the portfolio was invested in 11 countries and in 11 different industry sectors within such countries. There were 59 holdings in the portfolio at the year end. The Board therefore believes that the objective of spreading investment risk has been achieved.

Status

The Company carries on business as a Guernsey incorporated, Guernsey Financial Services Commission authorised, closed-ended investment company. Its shares are listed and admitted to trading on the main market of the London Stock Exchange. The Company was added to the FTSE 250 index on 17 September 2019.

On 1 September 2020, following approval by the Company's Shareholders at a general meeting, the Company became tax resident in the United Kingdom and since then it has been approved by HM Revenue & Customs, by way of a one-off application, as an investment trust in accordance with section 1158 of the Corporation Tax Act 2010. It is intended that the Company will continue to conduct its affairs in a manner which will enable it to retain this status. The Company is not a "close" company for taxation purposes.

It is not intended that the Company should have a limited life, and the articles of incorporation do not contain any provisions for review of the future of the Company at specified intervals.

Key performance indicators ("KPIs")

The investment objective

The Board measures the development and success of the Company's business through achievement of the Company's investment objective, to provide a total return for investors primarily through investments in equities in the Asia Pacific region, which is considered to be the most significant key performance indicator for the Company.

Commentary on performance against the investment objective can be found in the Chairman's Statement.

At each meeting, the Board considers a number of performance indicators to assess the Company's success in achieving its investment objective. These are as follows: NAV total return; share price total return; share price discount/premium to NAV per share; ongoing charges and dividends payable. A number of these are classed as APMs and their calculations are explained in more detail on pages 73 and 74.

The performance against these indicators is reported in the Performance Summary on the inside front cover to page 1 and in the Strategic Report on pages 4 to 27.

Net asset value and share price total return

At each meeting, the Board reviews the performance of the portfolio in detail and discusses the views of the Portfolio Manager.

Share price discount/premium to net asset value per share

The Board reviews the level of discount/premium to net asset value per share at every Board meeting and is alert to the value Shareholders place on maintaining as low a level of share price volatility as possible.

The Board actively used its buyback authorities during the year under review and agreed to request renewal of the authorities to issue and buyback shares as described on page 70.

Ongoing charges

The Board reviews the Company's ongoing charges to ensure that the total costs incurred by Shareholders in the running of the Company remain competitive when measured against peer group funds. An analysis of the Company's costs, including management and performance fees, directors' fees and general expenses, is submitted to each Board meeting. Management and any performance fees payable are reviewed at least annually.

Dividends payable

It is the Board's policy that, except for unforeseen circumstances, interim dividends on the Company's ordinary shares will be declared in respect of the quarters ended 30 November, 28 February, 31 May and 31 August in January, April/May, July and October/November each year.

Having already paid interim dividends amounting to six pence per share, the Board has declared a fourth interim dividend of 6.00 pence per share for the year ended 31 August 2024, which is payable on 29 November 2024 to shareholders on the register on 15 November 2024. Thus, dividends for the year amount to 12.00 pence (2023: 11.80 pence) per share. This represents an increase of 1.7% over the rate of dividends payable in respect of the previous year.

Total dividends declared in respect of the year amount to £29,242,862, which is 105% of the £27,936,000 revenue profit after taxation available for distribution. Accordingly, the Company will carry forward £21,011,060 in revenue reserves. However in accordance with accounting standards, the fourth interim dividend amounting to £14,507,881 will not be accounted for until it is has been paid.

Risk factors

In addition to the performance indicators set out above, the Board also monitors risk factors relating to investment performance on a quarterly basis.

Investment philosophy

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

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

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

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

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

Translating philosophy into process

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

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

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

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

Investment team

A key strength of the Manager is its team of investment professionals based in the region. The two UK-based portfolio managers, who themselves have well over four decades of experience between them, are supported by a team of 45 equity analysts based across 6 offices in Asia Pacific ex-Japan, who have an average of over 16 years' investment experience[1].

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

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

Stock Research

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

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

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

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

Portfolio Construction

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

Using all of these inputs, the portfolio managers will decide which stocks to hold, and at what weightings. Many of the stocks will already have attractive yields, but the Manager also looks to exploit opportunities in stocks which are set to benefit from improving capital efficiency, rising returns and increasing shareholder distributions. There is no minimum yield requirement applied to every stock, but portfolio construction is carried out with reference to the overall portfolio yield as a key part of the Company's total return investment objective.

In doing so, they will consider all the outputs from the analysts' work (such as the upside to fair value), the level of conviction they have in the investment thesis and any identified risks (including those relating to ESG) relative to the rest of the opportunity set. The primary objective of this process is to create a yield-orientated portfolio with an appropriate level of stock-specific risk as the primary driver of returns.

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

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

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

Integration of ESG into the investment process[3]

It is important to note that the Company does not have a specific ESG/sustainability orientation, or target outcome. The Company's investment objective can be found in the Strategic Report on page 17.

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

Schroders' sustainability practice has a history of over 20 years. Today a team of more than 45 dedicated members of the Sustainable Investment team (as at 31 May 2024) develop proprietary ESG tools,

[1]Team information as at June 2024. The 45 ex-Japan analysts includes Schroders' local specialist team of equity analysts in Sydney, as well as a joint-venture team of Indian equity analysts at Axis Asset Management (Axis AMC) in Mumbai.

[2]Calendar year 2023. Source: Schroders.

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

such as CONTEXT™ and SustainEx™ and oversee ESG analysis across Schroders, supporting individual investment teams, such as the Asian equities team. The carbon footprint of the companies and the portfolio are monitored over time and the proprietary SustaineEx™ tool measures positive and negative externalities generated by the companies.

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

The Context Framework:

Understanding how a company manages it relationships with stakeholders

Source: Schroders.

To enhance the Asia team's ESG expertise in Asia, two members of the Sustainable Investment team are based in the region, directly supporting the Asian capability and ensuring they are kept fully informed of the relevant output of the Sustainable Investment team in London. A Sustainable Equity Analyst on the Asia team brings additional insight and perspective to ESG analysis and engagement.

ESG analysis impacts the investment process in four ways:

1. Initial screening – ESG helps determine which companies are considered to be investable as part of an initial screening, which is in addition to Schroders' group-wide exclusions[1].
2. Durability of earnings – ESG analysis helps the investment team understand the impact ESG externalities may have on the future earnings power of the business and the ROIC and SRC of the company.
3. Fair Value and recommendation – ESG is an indirect and direct input into the fair value estimate of a company. Indirect, to the extent that a company's SRC may influence the assumptions used in establishing the fair value estimate of a company; and direct, to the extent that the Manager may apply an additional explicit discount/premium to that fair value estimate.
4. Portfolio construction – ESG helps shape portfolio construction and may influence how portfolio managers size positions. For example, poor ESG performance or heightened ESG risks may result in a decision to underweight a security, hold a smaller position size or avoid an investment completely. There is no automatic rule – each investment opportunity is assessed on a case-by-case basis, with the focus on the materiality of ESG factors on a company's valuation and risk profile.

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

Active Ownership

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

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

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

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

It should be remembered that the Manager is not an 'activist' investor, and in general is looking to buy into companies that are already well-managed with decent governance and attractive distribution profiles. However, this does not mean that there is not still room for engagement, particularly when thinking about sustainability issues and the evolution of a longer-term investment thesis. Where appropriate engagements can focus on a number of different areas, including Climate Change, Diversity and Inclusion, Natural Capital and Biodiversity, Human Rights, Human Capital Management and Corporate Governance.

For the Manager's approach on active ownership and its use in the investment process, please visit: https://www.schroders.com/en/global/individual/sustaineducation/active-ownership/

Use of Gearing

The Company has a £100 million multi-currency revolving credit facility with Bank of Nova Scotia which was US$50.0 million (£37.7 million) drawn at the end of the financial year. The facility was originally dated 21 July 2022, renewed on 20 July 2023 and 18 July 2024, and expires on 17 July 2025.

The Company's policy is to permit net borrowings (including foreign currency borrowings) of up to 25% of the Company's net assets (measured when new borrowings are incurred). It is intended that the Manager should have the flexibility to utilise this power to leverage the Company's portfolio in order to enhance returns where and to the extent that this is considered appropriate by the directors. Full details of the gearing employed by the Company are set out in note 20 on page 64.

Promotion and shareholder relations

The Company promotes its shares to a broad range of investors including discretionary wealth managers, private investors, financial advisers and institutions, which have the potential to be long-term supporters of the investment strategy. The Board seeks to achieve this through its Manager and corporate broker, which promote the shares of the Company through regular contact with both current and potential shareholders. These activities consist of investor lunches, one-on-one meetings, webinars, regional road shows and attendances at conferences. In addition, the Company's shares are supported by the Manager's wider marketing of investment companies targeting all types of investors. This includes maintaining close relationships with adviser and execution-only platforms, advertising in the trade press, maintaining relationships with financial journalists and the provision of digital information on Schroders' website.

Shareholder relations are given high priority by both the Board and the Manager. The Board also seeks active engagement with investors and meetings with the Chairman are offered where appropriate. In addition to the engagement and meetings held during the year the chairs of the Board and committees, as well as the other directors, attend the AGM and are available to respond to queries and concerns from Shareholders.

Shareholders are also encouraged to sign up to the Manager's Investment Trusts update, to receive information on the Company directly. https://www.schroders.com/en/uk/private-investor/fundcentre/funds-in-focus/investment-trusts/schroders-investmenttrusts/never-miss-an-update

Diversity

The below tables set out the gender and ethnic diversity composition of the Board (as at 31 August 2024 and at the date of this report).

	Number of Board members	Percentage of the Board (%)	Number of senior positions on the Board
White British or other White (including minority-white groups)	4	80	2
Mixed/Multiple Ethnic Groups	–	–	–
Asian/Asian British	1	20	0
Black/African/Caribbean/Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified/prefer not to say	–	–	–

	Number of Board members	Percentage of the Board (%)	Number of senior positions on the Board
Men	3	60	1
Women	2	40	1
Not specified/prefer not to say	–	–	–

Given that the Company is an investment trust with no executive Board members, the columns and references regarding executive management have not been included.

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

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

Financial crime policy

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

Greenhouse gas emissions and energy usage

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

Taskforce for Climate-Related Financial Disclosures

On 30 June 2024, the Company's AIFM produced a product level disclosure consistent with the Task Force on Climate-Related Financial Disclosures ("TCFD") for the period 1 January 2023 to 31 December 2023. This can be found here: https://www.schroders.com/en-gb/uk/individual/funds-and-strategies/tcfd-entity-and-product-reports/. The Board met with representatives from the Manager to review this report.

Responsible investment

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

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

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

Stakeholder engagement, section 172

During the year under review, the Board discharged its duty under section 172 of the UK Companies Act 2006 to promote the success of the Company for the benefit of its members as a whole, having regard to the interests of all stakeholders. As an externally managed investment trust, the Company has no employees, operations or premises. The Board has identified its key stakeholders as the Company's Shareholders, the Manager, other service providers, the investee companies and the Company's Lender.

The below explains how the directors have engaged with all stakeholders and outlines key activities undertaken during the reporting period.

Shareholders

The Company welcomes attendance and participation from Shareholders at the Annual General Meeting, details of which are on page 71 of this report. This will provide an opportunity for Shareholders to engage with the Board and hear from the Portfolio Manager, Richard Sennitt, supported by Abbas Barkhordar. Shareholders unable to attend the AGM are invited to submit questions to the Company Secretary in advance of the meeting, and will be able to view a presentation from the Manager online.

The annual and half year results presentations, as well as monthly updates are available on the Company's webpage with results announced via a regulatory news service.

The directors receive regular updates on the shareholder register, trading activity, and feedback received from investor meetings held by the Manager and Broker, as well as meeting with interested current and prospective Shareholders.

The Board is responsible for discount and premium management and is alert to the value Shareholders place on maintaining as low a level of share price volatility as possible. During the financial year, a total of 11,395,000 shares were bought back and a further 4,230,000 have been bought back since the period end. The Board will continue to buy back shares when it judges it is in the best interests of Shareholders to do so.

The Manager

The Board maintains a constructive and collaborative relationship with the Manager, encouraging open discussion.

The Board invites the Portfolio Manager to attend all Board and certain committee meetings and receives regular reports on the performance of the investments and the implementation of the investment strategy, policy and objective. The portfolio activities undertaken by the Portfolio Manager and the impact of decisions affecting investment performance are set out in the Investment Manager's Review on pages 6 to 12.

The Management Engagement Committee reviews the performance of the Manager, its remuneration and the discharge of its contractual obligations at least annually.

The Company's lender

During the year under review, the Board renewed its revolving credit facility agreement with The Bank of Nova Scotia on a secured basis. The Board is responsible for ensuring that the Company adheres to all loan covenants.

Other service providers

The Board maintains regular contact with its key service providers, both at the Board and committee meetings, and through ad hoc communication throughout the year. The need to foster business relationships with key service providers is central to the directors' decision-making as the Board of an externally managed investment trust.

During the period, the Management Engagement Committee undertook reviews of key third-party service providers and agreed that their continued appointment remained in the best interests of the Company and its Shareholders. The Committee periodically reviews the market rates for services received, to ensure that the Company continues to receive high quality service at a competitive cost.

During the year, directors attended a meeting to assess the internal controls of certain service providers including the Company's Depositary and Custodian HSBC, the Designated Administrator, Registrar and Schroder's Group Internal Audit. These meetings enable the Board to conduct due diligence on operations and IT risks amongst service providers, and to receive up to date information on changes in regulation and market practice in the industry. The Board also engaged with its service providers on their own commitments on ESG, Financial Crime, Modern Slavery, Whistleblowing, Diversity and Inclusion, Business Continuity and Cybersecurity.

Investee companies

The Board believes that it is in the interests of all stakeholders to consider ESG factors. The Board supports and encourages the policy of engagement on ESG matters which the Schroders investment team has implemented as part of the investment decision making process, details of which can be found on pages 19 to 22.

The Manager has discretionary powers to exercise voting rights on behalf of the Company and it reports on voting decisions to the Board. The Board monitors investment decisions and has the opportunity to question the Portfolio Manager's rationale for exposures taken and voting decisions made.

In addition to regular discussions with the Manager regarding the ESG aspects of portfolio companies, the Board met with Schroders engagement team to gain a more in depth understanding of the Manager's active engagement with investee companies.

Principal and emerging risks

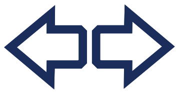
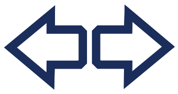
The Board is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. The Board has adopted a detailed matrix of principal risks affecting the Company's business as an investment trust and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Audit and Risk Committee on an ongoing basis. This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives.

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

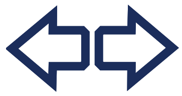
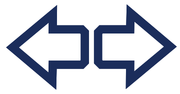
Both the principal risks and the monitoring system are also subject to robust review at least annually. The last assessment took place in October 2024. The Board discussed and monitored a number of risks that could potentially impact the Company's ability to meet its strategic objectives and recognised that there continues to be an elevated geopolitical risk relating to the region, which is closely monitored. The Board also considered in detail whether there were any material emerging risks and concluded that there were a number of regional territorial issues which may impact the Company.

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

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

Risk	Mitigation and management	Change (post mitigation and management)*
Geopolitical risk Political developments might materially affect the ability of the Company to achieve its investment objective Geopolitical considerations and sanctions could affect the Company's investment strategy, objective and performance.	The Board ensures it is well informed by way of receiving insights and information, including research notes, provided by the Manager as well as independent sources on a regular basis. The Manager ensured the portfolio was adequately diversified in the context of the investment policy. The Board noted the general increase in geopolitical risk during the period under review.	
Market risk The Company is exposed to the effect of market fluctuations due to the nature of its business. A significant fall in regional equity markets could have an adverse impact on the market value of the Company's underlying investments.	The risk profile of the portfolio is considered and appropriate strategies to mitigate negative impact of substantial changes in markets are discussed with the Manager. The Manager seeks to invest in companies with strong balance sheets and gearing is maintained at relatively low levels. The Board continues to monitor the market volatility caused by current geo-political issues and will continue to do so on an ongoing basis. The Board notes the impact of inflation on macroeconomic and market factors.	
Currency/exchange rate risk The Company is exposed to the effect of currency fluctuations due to the nature of its business. The Company invests predominantly in assets which are denominated in a range of currencies. Its exposure to changes in the exchange rate between sterling and other currencies has the potential to have significant impact on returns and the sterling value of dividend income from underlying investments. The Board notes that the variability in inflation and interest rates would in turn lead to volatility in exchange rates.	The Board recognises that there continues to be an elevated currency/exchange rate risk relating to the region and monitored it carefully during the period. The Board carefully reviewed the recovery of sterling against Asian currencies which may erode total returns. The risk profile of the portfolio is considered and appropriate strategies to mitigate negative impact of substantial changes in currency are discussed with the Manager. Gearing is maintained at relatively low levels. The Company has no formal policy of hedging currency risk but may use foreign currency borrowings or forward foreign currency contracts to limit exposure.	

Risk	Mitigation and management	Change (post mitigation and management)*
Investment Performance The Company's investment objectives may become out of line with the requirements of investors, resulting in a wide discount of the share price to underlying NAV per share.	The appropriateness of the Company's investment mandate and the long-term investment strategy is periodically reviewed and the success of the Company in meeting its stated objectives is monitored. The investment mandate and the long-term investment strategy are monitored by the Board. Share price relative to NAV per share is monitored by the Board as a key performance indicator and is reviewed against the Company's peers on a regular basis. The parameters and use of buyback authorities are considered regularly. The Manager and corporate broker monitor market feedback and the Board considers this at each quarterly meeting. Proactive engagement with Shareholders takes place via the AGM, feedback from Shareholder presentations, and ad hoc meetings with the Board. The Board notes that the Company is not immune to the widening discounts across the investment trust market and is committed to repurchasing shares at a discount where there is a notable imbalance in the market and it is in shareholders' best interests.	
The Manager's investment strategy and levels of resourcing, if inappropriate, may result in the Company underperforming the market and/or peer group companies, leading to the Company and its objectives becoming unattractive to investors.	The Board sets overall investment strategy and guidelines for use of derivatives and leverage, amongst other metrics. It also monitors investment performance and risk against objectives and strategy, and conducts an annual review of the Manager's ongoing suitability. Directors attend a presentation by the Manager's risk and internal audit functions at least annually. The Board also reviews the Manager's compliance with agreed investment restrictions, relative performance, the portfolio's risk profile, and whether appropriate strategies are employed to mitigate any negative impact of substantial changes in markets. At each Board meeting, detailed discussions about investment performance and changes to the portfolio have taken place. The Board also reviews investment restrictions at each quarterly Board meeting during the period.	
Climate Change Investors and regulators are increasingly questioning how the Company's investments and performance could be affected by climate change, environmental, social and governance factors.	The Manager has integrated ESG considerations, including climate change, into the investment process and reports on its ESG engagement at regular Board meetings. The Manager has implemented a comprehensive ESG policy which is outlined in detail on pages 20 to 22. The Board ensures that ESG factors are incorporated into reports to Shareholders. The Manager has presented to the Board on how it has developed and applied ESG tools to their investment process and established a framework under which it actively engages with portfolio companies on ESG issues. The Board reviewed the Net Zero commitments of service providers. The Board reviews detailed sustainability reporting annually.	

Risk	Mitigation and management	Change (post mitigation and management)*
Service provider performance The Company has no employees and has delegated certain functions to a number of service providers. Failure of controls, including as a result of fraud, and poor performance of any service provider, could lead to disruption, reputational damage or loss.	Service providers are appointed subject to due diligence processes and with material service providers having clearly documented contractual arrangements. Regular reports are provided by key service providers and the quality of their services is monitored, including an annual presentation to the directors from key risk and internal controls personnel at the Company's main service providers. Review of annual audited internal controls reports from key service providers, including confirmation of business continuity arrangements and IT controls, is undertaken at an annual review of service providers by the Management Engagement Committee. Service providers' internal controls reports continue to be robust.	
Cyber The Company's service providers are exposed to the risk of cyber attacks. Cyber attacks lead to loss of personal or confidential information, unauthorised payments or inability to carry out operations in a timely manner.	The Company has outsource arrangements with service providers who report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyber attack and appoints a custodian/ depositary in respect of assets. In addition, the Board receives presentations from the Manager, the registrar, and the safekeeping agent and custodian on cyber risk. During the year, the Board reviewed independently audited internal controls reports from key service providers.	

Risk assessment and internal controls review by the Board

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

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment which has been in place throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company and that the internal control environment continues to operate effectively.

A full analysis of the financial risks facing the Company is set out in note 20 to the accounts on pages 62 to 66.

Viability statement

The directors have assessed the viability of the Company over a five year period, taking into account the Company's position at 31 August 2024 and 23 October 2024 and the potential impact of the principal risks and uncertainties it faces for the review period. The directors have assessed the Company's operational resilience and they are satisfied that the Company's outsourced service providers will continue to operate effectively, following the implementation of their business continuity plans.

A period of five years has been chosen as the Board believes that this reflects a suitable time horizon for strategic planning, taking into account the investment policy, liquidity of investments, potential impact of economic cycles, nature of operating costs, dividends and availability of funding. This time period also reflects the average hold period of an investment.

In its assessment of the viability of the Company, the directors have considered each of the Company's principal risks and uncertainties detailed on pages 24 to 26 and in particular the impact of a significant fall in regional equity markets on the value of the Company's investment portfolio. The directors have also considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary.

The directors have also considered a stress test which represents a severe but plausible scenario along with movement in foreign exchange rates. This scenario assumes a severe stock market collapse and/or exchange rate movements at the beginning of the five year period, resulting in a 50% fall in the value of the Company's investments and investment income and no subsequent recovery in either prices or income in the following five years. It is assumed that the Company continues to pay an annual dividend in line with current levels and that the borrowing facility remains available and remains drawn, subject to the gearing limit.

The Company's investments comprise highly liquid, large, listed companies and so its assets are readily realisable securities and could be sold to meet funding requirements or the repayment of the gearing facility should the need arise. There is no expectation that the nature of the investments held within the portfolio will be materially different in the future.

The operating costs of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position. Furthermore, the Company has no employees and consequently has no redundancy or other employment related liabilities.

The Board reviews the performance of the Company's service providers regularly, including the Manager, along with internal controls reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. The Board also considers the business continuity arrangements of the Company's key service providers.

The Board monitors the portfolio risk profile, limits imposed on gearing, counterparty exposure, liquidity risk and financial controls at its quarterly meetings.

Although there continue to be regulatory changes which could increase costs or impact revenue, the directors do not believe that this could be sufficient to affect its viability. The Board also notes that certain geopolitical risks, if they materialise, would have a serious effect on the viability of the Company, but that it was not appropriate to conclude that the Company was not viable on the basis of these.

The Board has assumed that the business model of a closed ended investment company, as well as the Company's investment objective, will continue to be attractive to investors. The directors also considered the beneficial tax treatment the Company is eligible for as an investment trust. If changes to these taxation arrangements were to be made it would affect the viability of the Company to act as an effective investment vehicle.

Based on the above the directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of their assessment.

Going concern

The directors have assessed the principal risks, the impact of the emerging risks and uncertainties and the matters referred to in the viability statement. The directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period assessed by the directors, being the period to 30 November 2025 which is at least 12 months from the date the financial statements were authorised for issue.

By order of the Board

Schroder Investment Management Limited
Company Secretary

23 October 2024

Governance

Governance

Board of Directors

Paul Meader

Status: Independent non-executive chairman

Length of service: eight years – appointed a director in January 2016.

Experience: Paul Meader is an independent director of investment companies, insurers and investment funds. Until 2012 he was Head of Portfolio Management for Canaccord Genuity based in Guernsey, prior to which he was Chief Executive of Corazon Capital. He has over 35 years' experience in financial markets in London, Dublin and Guernsey, holding senior positions in portfolio management and trading. Prior to joining Corazon he was Managing Director of Rothschild's Swiss private-banking subsidiary in Guernsey. He is a Chartered Fellow of the Chartered Institute for Securities & Investments, a former Commissioner of the Guernsey Financial Services Commission and past chairman of the Guernsey International Business Association. He is a graduate of Hertford College, Oxford. Paul also holds a number of directorships in other companies, one of which is publicly quoted: ICG-Longbow Senior Secured UK Property Debt Investments Limited.

Committee membership: Audit and Risk, Management Engagement, and Nomination and Remuneration committees.

Remuneration as at the year end: £50,000 per annum

Number of shares held: 11,000*

Alexa Coates

Status: Senior Independent Director

Length of service: six years – appointed a director in February 2018.

Experience: Alexa Coates is a chartered accountant who brings over 30 years of significant financial expertise to the Board. Alexa was a senior executive of HSBC for nine years, where she served as the global CFO for the group's asset management business and then led the finance function for commercial banking operations in Europe. Prior to joining HSBC, Alexa worked in senior roles in retail, healthcare and professional services including at J Sainsbury plc and BUPA. She started her career at EY, where she worked in the UK and France. Alexa is a non-executive director and audit committee chair of Marsh Limited, the insurance broker, Aviva Investors and its UK fund services company as well as a non-executive director and chair of the audit and risk committee of Polar Capital Holdings plc, a publicly quoted company.

Committee membership: Audit and Risk (chair), Management Engagement, and Nomination and Remuneration committees.

Remuneration as at the year end: £45,000 per annum

Number of shares held: 10,000*

Sam Davis

Status: Independent non-executive director

Length of service: less than one year – appointed in July 2024.

Experience: Sam is a non-executive director of Allianz Technology Trust plc and The Baillie Gifford Japan Trust plc, and is Chair of the Management Engagement Committee of the latter. Sam was previously CEO of Putnam Investments Limited and Co-Head of Equities at Putnam Investments, where he oversaw a global investment team. He has more than 20 years of experience in investment markets, having worked in different roles as Portfolio Manager, Director of Research, and Co-Head of Equities and has managed Asian, European, and broad international equity portfolios.

Committee membership: Audit and Risk, Management Engagement and Nomination and Remuneration committees.

Remuneration as at the year end: £40,000 per annum

Number of shares held: nil*

*Shareholdings are as at 23 October 2024, full details of directors' shareholdings are set out in the Remuneration Report on page 43.

Isabel Liu

Status:Independent non-executive director

Length of service: three years – appointed in November 2021.

Experience: Isabel has 25 years' global experience investing equity in infrastructure. She started her investment career in Asia with the US$1 billion AIG Asian Infrastructure Fund. She was Managing Director of the Asia Pacific investment business of John Laing plc. After relocating from Hong Kong to London, she was Investment Director for the €1 billion ABN AMRO Global Infrastructure Fund. Most recently Isabel served as Board Director at Pensions Infrastructure Platform, sponsored by UK pension schemes. She has also been Chair of the Audit Risk Assurance and Remuneration Committee as a Board Member of Transport Focus. Isabel is a non-executive director of Utilico Emerging Markets Trust plc and Gresham House Energy Storage Fund Plc. Isabel holds a BA in Economics from the Ohio State University, a Masters in Public Policy from Harvard Kennedy School, and an MBA from the University of Chicago Booth School of Business.

Committee membership: Audit and Risk, Management Engagement (chair), and Nomination and Remuneration committees.

Remuneration as at the year end: £40,000 per annum

Number of shares held: 18,634*

Nick Winsor

Status: Independent non-executive director

Length of service: four years – appointed in March 2020.

Experience: Nick is an independent consultant and non-executive director. He has more than 35 years of retail and commercial banking experience with HSBC Group in a number of international markets: Brunei; Channel Islands; Hong Kong; India; Japan; Qatar; Singapore; Taiwan; UAE and the UK. He was CEO of HSBC's businesses in the Channel Islands and Isle of Man, CEO and VP of HSBC Bank (Taiwan) Limited and a Director of HSBC Bank Middle East Limited. Before this, he was Head of Personal Financial Services for the Asia Pacific Region. Nick is a non-executive director of Metro Bank plc and Metro Bank Holdings plc and a member of the latter's Risk Oversight and Audit committees. He is also the senior independent director of the States of Jersey Development Company, Chair of the Remuneration and Nomination Committee and member of the Audit and Risk Committee. Nick is a non-executive director of Bankers without Boundaries, a not for profit investment bank, and the Chair of Autism Jersey. He was awarded an MBE in the Queen's 2020 Birthday Honours list for services to the community. Nick holds a Masters in Physics from Oxford University and is a Fellow of the Institute of Directors.

Committee membership: Audit and Risk, Management Engagement, and Nomination and Remuneration (chair) committees.

Remuneration as at the year end: £40,000 per annum

Number of shares held: 20,000*

*Shareholdings are as at 23 October 2024, full details of directors' shareholdings are set out in the Remuneration Report on page 43.

Directors and officers

Chairman

The Chairman is an independent non-executive director who is responsible for leadership of the Board and ensuring its effectiveness in all aspects of its role. The Chairman's other significant commitments are detailed on page 30. He has no conflicting relationships.

Senior Independent Director ("SID")

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

Company Secretary

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

Role and operation of the Board

The Board is the Company's governing body. It sets the Company's strategy and is collectively responsible to Shareholders for its long-term success. The Board is responsible for appointing and subsequently monitoring the activities of the Manager and other service providers to seek to ensure that the investment objective of the Company continues to be met. The Board also ensures that the Manager adheres to the investment restrictions set by the Board and acts within the parameters set by it in respect of any gearing. The Business Review on pages 17 to 28 sets out further detail of how the Board reviews the Company's strategy, risk management and internal controls and also includes other information required for the Directors' Report and is incorporated by reference.

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

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

The Board meets at least quarterly and receives and considers reports regularly from the Manager and other key advisers and ad hoc reports and information are supplied to the Board as required.

Four Board meetings are usually scheduled each year to deal with matters including: the setting and monitoring of investment strategy, approval of borrowings and/or cash positions, review of investment performance, the level of discount of the Company's shares to NAV, promotion of the Company, and services provided by third parties. Additional meetings of the Board are arranged as required.

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

Committees

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

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

Key service providers

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

Manager

The Company is an alternative investment fund as defined by the AIFM Directive and has appointed Schroder Unit Trusts Limited ("SUTL") as the Manager in accordance with the terms of an alternative investment fund manager ("AIFM") agreement. The AIFM agreement, which is governed by the laws of England and Wales, can be terminated by either party on 12 months' notice or on immediate notice in the event of certain breaches or the insolvency of either party. As at the date of this report no such notice had been given by either party.

SUTL is authorised and regulated by the FCA and provides portfolio management, risk management, accounting and company secretarial services to the Company under the AIFM agreement. The Manager has delegated investment management, marketing, administrative, accounting and company secretarial services to another wholly owned subsidiary of Schroders plc, Schroder Investment Management Limited. The Manager has in place appropriate professional indemnity cover. Part of the fund accounting and administration activities are currently performed by HSBC Securities Services (UK) Limited as a sub-delegate to Schroder Investment Management Limited.

The Schroders Group manages £773.7 billion (as at 30 June 2024) on behalf of institutional and retail investors, financial institutions and high net worth clients from around the world, invested in a broad range of asset classes across equities, fixed income, multi-asset and alternatives.

The Manager is entitled to receive a management fee of an amount equivalent to 0.75% per annum of the net assets of the Company, reducing to 0.70% per annum on net assets above £250 million and 0.65% per annum on net assets above £750 million. The fee is payable quarterly in arrears and calculated as at the last business day in February, May, August and November in each year.

The Manager is also entitled to receive a performance fee based on the performance of the Company's NAV per ordinary share. The performance fee is 10% of the amount in pounds sterling of any gains, being the amount by which the closing adjusted NAV per ordinary share (adjusted as described below) at the end of the relevant calculation period exceeds the highest of:

(i) A hurdle, being 108% of the NAV per ordinary share, taken from the audited balance sheet at the end of the previous calculation period;

(ii) The highest closing NAV per ordinary share (unadjusted) as per the audited accounts for any previous financial year in which a performance fee has been paid; and

(iii) 100p.

Closing Adjusted NAV per ordinary share is the NAV per share on the last day of the financial year in respect of which the performance fee is being calculated, adjusted to add back any performance fee accrued during the year but not crystallised; to adjust for the deemed reinvestment of any dividends paid by the Company during the period; and to remove the impact on NAV per share due to any share buy-backs and issues.

The total amount of any performance fee payable in respect of any one accounting period has been capped at 0.65% of the net asset value, calculated at the end of the relevant accounting period.

Any investment management fees payable to the Manager or to other subsidiaries of Schroders plc in respect of investments by the Company in collective investment schemes and investment companies managed or advised by the Schroders Group are deducted from the fee payable to the Manager under the AIFM agreement. There were no such investments during the year ended 31 August 2024.

The management and performance fees payable in respect of the year ended 31 August 2024 amounted to £4,763,000 (2023: £4,838,000) and £4,552,000 (2023: nil) respectively. The Manager is also entitled to a fee for providing administrative, accounting and company secretarial services to the Company. For these services, it receives an annual fee, payable quarterly in arrears, of £150,000.

Details of all amounts payable to the Manager are set out in note 17 on page 62.

The Board has reviewed the performance of the Manager, and fees paid to it, during the year under review and continues to consider that it has the appropriate depth and quality of resource to achieve above-average returns in the longer term. Thus, the Board considers that the Manager's appointment under the terms of the AIFM agreement, is in the best interests of Shareholders as a whole.

Safekeeping and cashflow monitoring agent

HSBC Bank plc ("HSBC Bank"), which is authorised by the Prudential Regulation Authority and regulated by the FCA and the Prudential Regulation Authority, has been appointed to carry out certain duties of a safekeeping and cashflow monitoring agent specified in the AIFM Directive for the Company, including:

- safekeeping of the assets of the Company which are entrusted to it;
- cash monitoring; and
- oversight of the Company and the Manager to the extent described in the AIFM Directive.

HSBC Bank is liable to the Company for losses suffered by it as a result of any negligence, wilful default, fraud or fraudulent misrepresentation on its part.

The Company, the Manager and HSBC Bank may terminate the safekeeping and cashflow monitoring agent services agreement pursuant to which HSBC Bank provides these services at any time by giving 90 days' notice in writing. HSBC Bank may only be removed from office when a new safekeeping and cashflow monitoring agent is appointed by the Company.

Registrar

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

Corporate Governance Statement

The Board of the Company has chosen to adopt the principles and provisions of the AIC Code of Corporate Governance (the "AIC Code"). The Code addresses the Principles and Provisions set out in the UK Corporate Governance Code (the "UK Code"), as well as setting out additional Provisions on issues that are of specific relevance to the Company as an investment company.

The Board considers that reporting against the Principles and Provisions of the AIC Code, which has been endorsed by the Financial Reporting Council and the Guernsey Financial Services Commission, provides more relevant information to Shareholders.

The Financial Conduct Authority requires all UK listed companies to disclose whether they have complied with the provisions of the Code or explain any departures. This statement, together with the Statement of Directors' Responsibilities, viability statement and going concern statement set out on pages 44 and 27 respectively indicates how the Company has complied with the principles of good governance of the Code and its requirements on internal control. The Strategic Report and Directors' Report provide further details on the Company's risk management, governance and diversity policies.

The Company complied with the Principles and Provisions of the AIC Code during the year under review and to date.

The AIC Code is available on the AIC website (www.theaic.co.uk). It includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies.

The Guernsey Financial Services Commission's Finance Sector Code of Corporate Governance (the "GFSC Code") provides a framework which applies to all companies in the regulated finance sector in Guernsey. The Company reports against the AIC Code, which meets the requirements of the GFSC Code.

Share capital and substantial share interests

As at 31 August 2024, the Company had 271,233,024 ordinary shares of 1p in issue. 29,435,000 shares were held in treasury. 11,395,000 shares were bought back during the year ended 31 August 2024. 4,230,000 shares were bought back in the period from the year-end until 22 October 2024. Accordingly, the total number of voting rights in the Company at 22 October 2024 is 237,568,024. Details of changes to the Company's share capital during the year under review are given in note 13 to the accounts on page 60. All shares in issue rank equally with respect to voting, dividends and any distribution on winding up.

The Company has received notifications in accordance with the Financial Conduct Authority's ("FCA") Disclosure Guidance and Transparency Rule 5.1.2R of the below interests in 5% or more of the voting rights attaching to the Company's issued share capital. The Company is reliant on investors to comply with these regulations, and certain investors may be exempted from providing these. As such, this should not be relied on as an exhaustive list of Shareholders holding above 5% of the Company's voting rights.

Ordinary shares as at 31 August 2024	% of total voting rights
Rathbones Investment Management Ltd	14.32
Evelyn Partners Limited	10.68

Since the year end to the date of the Notice of AGM, Evelyn Parnters Limited notified the Company on 11 October 2024 that its holding was 23,814,280 and 9.98% of the total voting rights of the Company and on 23 October 2024 that its holding was 23,796,792 and 10.02% of the total voting rights of the Company.

Provision of information to the auditors

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

Directors' attendance at meetings

The number of scheduled meetings of the Board and its committees held during the financial year and the attendance of individual directors is shown below. Whenever possible all directors attend the AGM.

Director	Board	Audit and Risk Committee	Nomination and Remuneration Committee	Management Engagement Committee
Paul Meader	5/5	3/3	3/3	1/1
Alexa Coates	5/5	3/3	3/3	1/1
Kate Cornish-Bowden[1]	1/1	1/1	1/1	1/1
Sam Davis[2]	1/1	1/1	1/1	1/1
Isabel Liu	5/5	3/3	3/3	1/1
Nick Winsor	5/5	3/3	3/3	1/1

[1]Kate Cornish-Bowden resigned from the Board on 17 November 2023
[2]Sam Davis was appointed as a director on 1 July 2024

Directors' and officers' liability insurance and indemnities

Directors' and officers' liability insurance cover was in place in respect of the directors throughout the year under review. The Company provides an indemnity to each director to the extent permitted by Guernsey law whereby the Company is able to indemnify such director against any liability incurred in proceedings in which the director is successful, and for costs in defending a claim brought against the director for breach of duty where the director acted honestly and reasonably.

By order of the Board

Paul Meader
Director

23 October 2024

Audit and Risk Committee Report

The responsibilities and work carried out by the Audit and Risk Committee during the year under review are set out in the following report.

The duties and responsibilities of the Committee, which include monitoring the integrity of the Company's financial reporting and internal controls, are set out in further detail below, and may be found in the terms of reference which are set out on the Company's webpages, www.schroders.co.uk/orientalincome.

All directors are members of the Committee. Alexa Coates is the chair of the Committee. The Board has satisfied itself that at least one of the Committee's members has recent and relevant financial experience and that the Committee as a whole has competence relevant to the sector in which the company operates. The AIC Code permits the Chairman of the Board to be a member of the audit committee of an investment trust. Recognising Paul Meader's significant experience, it is considered appropriate for the Chairman to be a member of the Audit and Risk Committee.

The Committee's key responsibilities are set out below along with how the Committee discharged its duties and achieved effective oversight in relation to the Company's financial reporting, external audit, and risks and internal controls during the year. The Committee met three times during the year. Further details on attendance can be found on page 34. An evaluation of the Committee's effectiveness was carried out during the year and the Committee was determined to be effective with no significant recommendations for improvement.

Key roles and responsibilities	Application during the year
Risks and Internal Controls To ensure a robust assessment of the Company's emerging and principal risks and procedures are in place to identify emerging risks, and an explanation of how these are being managed or mitigated.	Reviewed and updated twice during the financial year the principal and emerging risks register and the systems, processes and oversight in place to manage and mitigate risks.
To keep under review the adequacy and effectiveness of the Company's systems of internal control and risk management and review the annual report disclosures relating to this. To monitor the Company's accounting and financial internal control systems. To consider the need for and appropriateness of having an internal audit function.	Reviewed the internal controls operating within the Manager and custodian, including independently audited internal controls reports. In July 2024, members of the Committee met with the key service providers at an annual review meeting in addition to reviewing the quarterly reports covering the operations of the service providers. These reports and reviews collectively cover the effectiveness of the Company's material controls, including financial, operational, reporting and compliance controls. Following these reviews, the Committee considered that a sufficient level of internal assurance is in place and the work of the external audit was not adversely impacted by the absence of an internal audit function. It was therefore recommended that an internal audit function is not required at present. Following a review of the Company's risk management and internal controls framework, the Committee noted that these remain effective as at the end of the financial year ended 31 August 2024.
Financial Reporting To oversee the accounting policies adopted by the Company. An explanation of the Company's material accounting policies can be found at note 1 of the financial statements on page 55.	Consideration of the accounting policies and judgments used in preparing the interim and full year financial statements of the Company.

Key roles and responsibilities	Application during the year
To monitor the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and valuation. To review the annual and half year reports and to advise the Board on whether the annual report is fair, balanced and understandable.	Portfolio holdings and assurance reports were reviewed by the Board on a quarterly basis. Consideration of the methodology used to calculate the management and performance fees, matched against the criteria set out in the AIFM agreement. Considered dividends received against forecast and the allocation of special dividends to income and/or capital. Reviewed the annual report and accounts to ensure that it was fair, balanced and understandable taking into account the Company's results and the report from the Manager. Consideration of the annual report and accounts and the letter from the Manager in support of the letter of representation to the auditors.
To review the capital and liquidity position of the Company and make recommendations to the Board in relation to whether it considers it appropriate to adopt the going concern basis of accounting in preparing its annual and half-yearly financial statements.	Reviewed the capital and liquidity position of the Company, as well as the outcome of stress testing, to support the going concern and viability statements in the annual and half-yearly financial statements.
Audit To review the audit plan and discuss any matters arising from the audit including any recommendations made by the auditors.	Reviewed the audit plan for the financial year ended 31 August 2024. Met with and reviewed with the external auditors their comprehensive reports which detailed the results of the audit and met the auditors without representatives of the Manager present. Representatives of the auditors attended the Committee meeting at which the draft annual report and accounts were considered.
To make recommendations to the Board, in relation to the appointment, re-appointment, effectiveness and removal of the external auditors, to review their independence, and to approve their remuneration and terms of engagement. To formulate a policy on non-audit services. In relation to these matters, the Committee took into consideration provisions of the Audit Committees and the External Audit: Minimum Standard.	PricewaterhouseCoopers CI LLP were appointed as auditors on 25 May 2018. The auditors are required to rotate the senior statutory auditor every five years. Following the Company becoming tax resident in the UK, on 1 September 2020, PricewaterhouseCoopers CI LLP resigned & PricewaterhouseCoopers LLP was appointed as auditors to the company to enable a more efficient audit process and reduce costs to Shareholders. The next tender is expected to take place in 2028. This is in the best interests of the Company's members as it balances achieving value for money from the audit, and the need to preserve auditor independence. Evaluated the effectiveness of the audit firm prior to making a recommendation that it should be re-appointed at the forthcoming AGM. This included consideration of the auditors' knowledge, expertise, resources and process, alongside feedback from the Manager on the audit process. Professional scepticism of the auditors was questioned and the Committee was satisfied with the auditors' replies. Received confirmation from the auditors that they remained independent and that it had implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards. Formulated the policy on non-audit services, taking into account the Audit Committees and the External Audit: Minimum Standard and noted that the auditors did not provide any non-audit services to the Company during the year.

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Recommendations made to, and approved by, the Board:

Having reviewed the draft half year report, in May 2024, the Committee concluded that the financial statements gave a true and fair view and recommended the half year report for approval.

As a result of the work performed in respect of the annual financial statements, the Committee concluded that the annual report for the year ended 31 August 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's position, performance, business model and strategy, and has reported on these findings to the Board. The Board's conclusions in this respect are set out in the Statement of Directors' Responsibilities on page 44.

Having reviewed the performance of the auditors as described above, the Committee considered it appropriate to recommend the firm's re-appointment. Resolutions to re-appoint PricewaterhouseCoopers LLP as auditors to the Company, and to authorise the directors to determine their remuneration will be proposed at the AGM.

Alexa Coates
Audit and Risk Committee chair
23 October 2024

Management Engagement Committee Report

The Management Engagement Committee is responsible for: (1) the monitoring and oversight of the Manager's performance and fees, and confirming the Manager's ongoing suitability; and (2) reviewing and assessing the Company's other service providers, including reviewing their fees. All directors are members of the committee. Isabel Liu is the chair of the committee. Its terms of reference are available on the Company's webpages, www.schroders.co.uk/orientalincome.

Approach

Oversight of the Manager

The Committee:

- reviews the Manager's performance, over the short and long term, against the reference index, peer group and the market;
- considers the reporting it has received from the Manager throughout the year, and the reporting from the Manager to the Shareholders;
- assesses management fees on an absolute and relative basis, receiving input from the Company's broker, including peer group and industry figures, as well as the structure of the fees;
- reviews the appropriateness of the Manager's contract, including terms such as notice period;
- visits the Manager's Asian and London offices periodically to meet with relevant investment and controls functions; and
- assesses if the Company receives appropriate administrative, accounting, company secretarial and marketing support from the Manager.

Oversight of other service providers

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

- Safekeeping agent
- Corporate broker
- Registrar
- Lender

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

The Committee noted the Audit and Risk Committee's review of the auditors.

Application during the year

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

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

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

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

The Committee noted that the Audit and Risk Committee had undertaken a detailed evaluation of the Manager, registrar, and safekeeping agents' internal controls.

Recommendations made to, and approved by, the Board:

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

Isabel Liu
Management Engagement Committee chair
23 October 2024

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee is responsible for (1) the recruitment, selection, induction and remuneration of all directors, (2) their assessment during their tenure, and (3) the Board's succession. All directors are members of the committee. Nick Winsor is the chair of the committee. Its terms of reference are available on the Company's webpages, www.schroders.co.uk/orientalincome.

Approach

Selection and induction

- The Committee prepares a job specification for each role. Proposals are sought from independent search firms, which are evaluated by the Board and a firm selected.
- Such a specification is prepared for the Chairman and the chairs of committees, the committee also considers current Board members.
- Job specification outlines the knowledge, professional skills, personal qualities and experience requirements.
- A search firm sources a long list of potential candidates, who are assessed against the job specification.
- The Committee discusses the long list, invites a number of candidates for interview and makes a recommendation to the Board.
- The Committee reviews the induction and training of new directors.

Board evaluation and Directors' fees

- The Committee assesses the performance, composition, diversity and how effectively members work together annually.
- Evaluation focuses on whether each director continues to demonstrate commitment to their role and provides a valuable contribution to the Board during the year, taking into account time commitment, independence, conflicts and training needs.
- Following the evaluation, the Committee provides a recommendation to Shareholders with respect to the annual re-election of directors at the AGM.
- The Committee reviews directors' fees, taking into account comparative data and reports to Shareholders in the remuneration report.
- Proposed changes to the remuneration policy for directors are discussed and then reported to Shareholders.

Succession

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

For application see page 40.

Application during the year

Selection and induction

- The Committee initiated the process by seeking suitable proposals from appropriate search firms.
- Following a rigorous selection process using an independent external recruitment agency, Stonehaven International, Sam Davis was appointed to the Board with effect from 1 July 2024. Stonehaven International has no connection with the Company or any of the directors.
- Sam Davis will stand for election as a director at the forthcoming AGM, as set out in the Notice of AGM.
- The Committee designed and ensured the implementation of an induction programme with the Secretary, the Investment Manager, as well as its various operating functions for Sam Davis.

Board evaluation and directors' fees

- The Board evaluation, including evaluation of its committees, was undertaken within the financial year.
- The Committee also reviewed each director's time commitment and independence by reviewing a complete list of appointments, including *pro bono* not for profit roles, to ensure that each director remained free from conflict and had sufficient time available to discharge each of their duties effectively.
- The Committee considered each director's contributions, and noted that in addition to extensive experience as professionals and non-executive directors, each director had valuable skills and experience, as detailed in their biographies on pages 30 and 31.
- All directors were considered to be independent in character and judgement.
- Based on its assessment, the committee provided individual recommendations for each directors' re-election.
- The Committee reviewed directors' fees, using external benchmarking, and recommended an increase in directors' fees, as detailed in the remuneration report.

Succession

- The Committee reviewed the succession policy and agreed it was still fit for purpose.
- As announced by the Company on 3 August 2023, Ms Kate Cornish-Bowden resigned on 17 November 2023 as a director of the Company prior to Schroders' appointment as the AIFM of International Biotechnology Trust plc, of which she is Chair. Following a rigorous process, including consideration of the Board's skills matrix, composition and diversity, Sam Davis was appointed to the Board on 1 July 2024. Alexa Coates was recommended to be selected to replace Kate Cornish-Bowden as the Senior Independent Director upon her retirement.
- After nine years of service on the Board, Paul Meader, the Chairman of the Board will not seek election at the forthcoming AGM. As part of the succession planning exercise, Isabel Liu was recommended to replace Paul Meader as the chair of Management Engagement Committee, with effect from 17 November 2023 and, following Chair succession planning process led by Alexa Coates, Senior Independent Director, Nick Winsor has been selected to succeed Paul Meader as Chair of the Company, with effect from forthcoming AGM, subject to Mr Winsor's re-election as a director at the AGM.

Recommendations made to, and approved by, the Board:

- That Alexa Coates be selected as Senior Independent Director, with effect from 17 November 2023
- That Isabel Liu be selected as chair of Management Engagement Committee, with effect from 17 November 2023
- That Sam Davis be appointed as a director of the Company, with effect from 1 July 2024.
- That Nick Winsor be selected to succeed Paul Meader as Chair of the Company, with effect from the forthcoming AGM, subject to Mr Winsor's re-election as a director at the AGM.
- That all directors continue to demonstrate commitment to their roles, provide a valuable contribution to the deliberations of the Board, contribute towards the Company's long-term success, and remain free from conflicts with the Company and its directors, so should all be recommended for election and re-election by Shareholders at the AGM.
- That directors' fees per annum be increased to the following levels effective from 1 September 2024: Chairman £51,000, Audit and Risk Committee chair: £46,000 and other directors: £41,000, with the Senior Independent Director receiving an additional £2,000.

Nick Winsor
Nomination and Remuneration Committee chair
23 October 2024

Introduction

The following remuneration policy is currently in force and is subject to a binding vote every three years. The next vote will take place at the 2026 AGM and the current policy provisions will apply until that date. The below directors' annual report on remuneration is subject to an annual advisory vote. An ordinary resolution to approve this report will be put to Shareholders at the forthcoming AGM.

At the AGM held on 4 December 2023 when the policy was last voted on by Shareholders, 99.81% of the votes cast (including votes cast at the chairman's discretion) in respect of approval of the directors' remuneration policy were in favour, while 0.19% were against. 41,730 votes were withheld.

At the AGM held on 4 December 2023, 99.93% of the votes cast (including votes cast at the chairman's discretion) in respect of approval of the directors' remuneration report for the year ended 31 August 2023 were in favour, while 0.07% were against. 37,501 votes were withheld.

Directors' remuneration policy

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

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

The chairman of the Board, the chair of the Audit and Risk Committee, and the senior independent director each receives fees at a higher rate than the other directors to reflect their additional responsibilities. The fees payable to directors are not performance related. They are set at a level to recruit and retain individuals of sufficient calibre, with the level of knowledge, experience and expertise necessary to promote the success of the Company in reaching its short and long-term strategic objectives.

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

Implementation of policy

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

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

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

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

Directors' report on remuneration

This report sets out how the remuneration policy was implemented during the year ended 31 August 2024.

Remuneration Report for the year ended 31 August 2024

Fees paid to directors

The following amounts were paid by the Company to directors for their services in respect of the year ended 31 August 2024 and the preceding financial year. Directors' remuneration is all fixed; they do not receive any variable remuneration. The performance of the Company over the financial year is presented on the inside front cover and page 1, under the heading "Performance Summary".

	Fees		Taxable benefits[1]		Total		Change over year ended 31 August		
	2024	2023	2024	2023	2024	2023	2024	2023	2022
Director	£	£	£	£	£	£	%	%	%
Paul Meader	**50,000**	47,000	**2,228**	2,254	**52,228**	49,254	**6.0**	2.3	13.9
Alexa Coates[2]	**45,666**	42,000	**136**	119	**45,802**	42,119	**8.7**	3.8	1.4
Kate Cornish-Bowden[3]	**8,939**	37,000	**125**	109	**9,064**	37,109	**n/a**	4.6	1.3
Isabel Liu	**40,000**	37,000	**118**	275	**40,118**	37,275	**7.6**	27.7	n/a
Nick Winsor	**40,000**	37,000	**–**	109	**40,000**	37,109	**7.8**	4.6	1.3
Sam Davis[4]	**6,667**	–	**–**	–	**6,667**	–	**n/a**		
Total	**191,272**	**200,000**	**2,607**	**2,866**	**193,879**	**202,866**			

[1]Comprise amounts reimbursed for expenses incurred in carrying out business for the Company, and which have been grossed up to include PAYE and NI contributions.
[2]Alexa Coates was appointed as SID following Kate Cornish-Bowden's resignation on 17 November 2023.
[3]Resigned as director on 17 November 2023.
[4]Appointed as director on 1 July 2024.

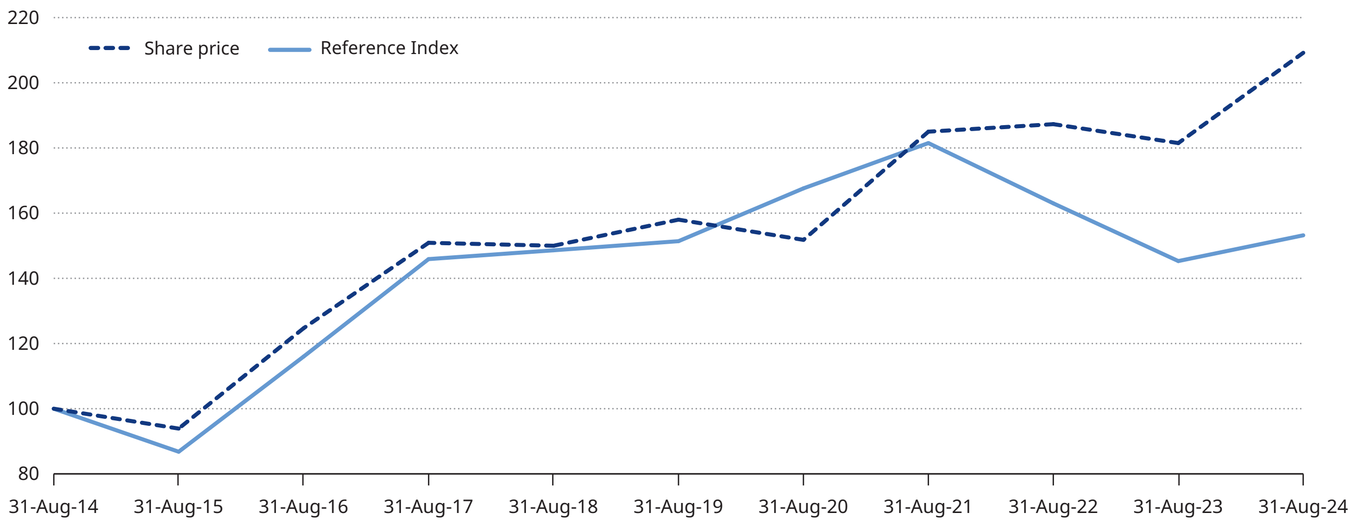
The information in the above table has been audited.

Consideration of matters relating to directors' remuneration

Directors' remuneration was last reviewed by the Board in July 2024. The members of the Board at the time that remuneration levels were considered were as set out on pages 30 and 31, save for Kate Cornish-Bowden who resigned from the Board in November 2023. Information on fees paid to directors of investment trusts managed by Schroders and peer group companies provided by the Manager and corporate broker was taken into consideration.

Following annual review, the Board agreed that fees should be increased with effect from 1 September 2024 to the following levels: Chairman: £51,000, Audit and Risk Committee chair: £46,000 and other directors: £41,000, with the Senior Independent Director receiving an additional £2,000. Directors' fees were last increased from 1 September 2023 for the year ended 31 August 2024 to the following levels: Chairman: £50,000, Audit and Risk Committee chair: £45,000 and other directors: £40,000, with the Senior Independent Director receiving an additional £2,000. The Board will continue to review fee levels on an annual basis.

10 year performance of the share price total return versus the MSCI All Countries Pacific ex Japan Index, with net dividends reinvested, in sterling terms[4]



[4]Source: Morningstar. Rebased to 100 at 31 August 2014. The MSCI All Countries Pacific ex Japan Index with net dividends reinvested, sterling adjusted, has been chosen as an appropriate comparison, as it comprises companies within the Company's primary investment objective.

Expenditure by the Company on remuneration and distributions to Shareholders

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

	Year ended 31 August 2024 £'000	Year ended 31 August 2023 £'000	% Change
Remuneration payable to directors	**192**	203	(5.4)
Distributions paid to Shareholders			
– Dividends	**29,282**	29,901	
– Share buy backs	**28,969**	20,022	
Total distributions paid to Shareholders	**58,251**	49,923	+16.7

Directors' share interests

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

	Ordinary shares of 1p each 31 August 2024	Ordinary shares of 1p each 31 August 2023
Paul Meader	**11,000**	11,000
Alexa Coates	**10,000**	10,000
Nick Winsor	**20,000**	20,000
Sam Davis	**Nil**	n/a
Isabel Liu	**18,634**	17,386

The information in the above table has been audited.

Paul Meader
Director
23 October 2024

The directors are responsible for preparing the financial statements in accordance with applicable Guernsey law and generally accepted accounting principles.

Guernsey company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors should:

- select suitable accounting policies, and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards ("IFRS") as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Company has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- make judgements and estimates that are reasonable and prudent.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 (as amended). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement

Each of the directors, whose names and functions are listed on pages 30 and 31, confirms that, to the best of their knowledge:

- the financial statements, which have been prepared in accordance with IFRS as adopted by the European Union and with The Companies (Guernsey) Law, 2008 (as amended) and in accordance with the requirements set out above, and give a true and fair view of the assets, liabilities, financial position and the net return of the Company;
- the Strategic Review includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's position and performance, business model and strategy.

So far as each of the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

On behalf of the Board

Paul Meader
Director

23 October 2024

Financial

Financial

Report on the audit of the financial statements

Opinion

In our opinion, Schroder Oriental Income Fund Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted in the European Union; and
- have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: Balance Sheet as at 31 August 2024; Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

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

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council's ("FRC") Ethical Standard, as applicable to listed public interest entities in accordance with the requirements of the Crown Dependencies' Audit Rules and Guidance for market-traded companies, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the company in the period under audit.

Our audit approach

Overview

Audit scope

- The company is a standalone authorised, closed-ended investment company registered in the Bailiwick of Guernsey with its shares listed on the main market of the London Stock Exchange.
- The company engaged Schroder Unit Trusts Limited (the "Manager") to manage the company's assets.
- The Manager has delegated investment management, marketing, administrative, accounting and company secretarial services to Schroder Investment Management Limited (the "Investment Manager"). The Investment manager has sub-delegated a part of the fund accounting and administration activities to HSBC Securities Services (UK) Limited (the "Administrator").
- We conducted our audit using information provided by the Manager, Investment Manager and the Administrator.
- We tailored the scope of our audit taking into account the types of investments within the company, the involvement of the third parties referred to above, the accounting processes and controls, and the industry in which the company operates.
- We obtained an understanding of the control environment in place at both the Manager, Investment Manager and Administrator, and adopted a fully substantive testing approach using reports obtained from the Manager, Investment Manager and Administrator.

Key audit matters

- Income from and gains on investments.
- Valuation and existence of investments at fair value through profit or loss.

Materiality

- Overall materiality: £7,003,000 (2023: £6,482,000) based on approximately 1% of net assets.
- Performance materiality: £5,252,000 (2023: £4,861,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

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

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Income from and gains on investments Refer to the Note 1 Accounting Policies, Note 2 Gains/(losses) on investments held at fair value through profit or loss and Note 3 Income. We focused on the accuracy and occurrence of both net capital gains/losses on investments and of dividend income. We assessed the presentation of income in the Statement of Comprehensive Income in accordance with the requirements of The Association of Investment Companies' Statement of Recommended Practice (the "AIC SORP").	We assessed and found that the accounting policies implemented were in accordance with IFRSs as adopted in the European Union and the AIC SORP, and that income (revenue and capital gains and losses on investments) has been accounted for in accordance with the stated accounting policy. We understood and assessed the design and implementation of key controls surrounding income recognition. **Dividend Income** We tested the accuracy of all dividend receipts by agreeing the dividend rates for investments to independent market data. We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. To test for completeness, we tested that the appropriate dividends had been received in the year by reference to independent data of dividends declared for all dividends during the year for all investments. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income in line with the requirements set out in the AIC SORP by determining the reasons behind dividend distributions. **Gains/losses on investments at fair value through profit or loss** The gains/losses on investments held at fair value comprise realised and unrealised gains/losses. For unrealised gains and losses, we tested the valuation of the portfolio at the year end, together with testing the reconciliation of opening and closing investments, thereby we have assessed the accuracy of the gains/losses recorded. We have also verified the occurrence of the gains/losses through our testing of the existence of investments. For realised gains/losses, we tested a sample of disposals by agreeing the proceeds to bank statements in order to verify the occurrence of the gain/loss. We re-performed the calculation of a sample of realised gains/losses in order to assess the accuracy of the gains/losses recorded. Based on the audit procedures performed and evidence obtained, we concluded that income from and gains on investments was not materially misstated.
Valuation and existence of investments at fair value through profit or loss Refer to Note 1 Material Accounting Policies and Note 10 Investments at fair value through profit or loss. The investment portfolio at 31 August 2024 comprised listed equity investments. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Balance Sheet in the financial statements.	We tested the valuation of the listed investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of the listed investments by agreeing the holdings to an independent confirmation from the Custodian, as at 31 August 2024. No material misstatements were identified from this testing.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company is a standalone authorised, closed-ended investment company that has outsourced the management of its assets to the Manager. The Manager has delegated investment management, administrative, accounting and company secretarial services to Investment Manager, who sub-delegated certain accounting and administrative services to the Administrator. We applied professional judgement to determine the extent of testing required over each balance in the financial statements and obtained our audit evidence which was substantive in nature from the Manager, Investment Manager and the Administrator.

The impact of climate risk on our audit

In conducting our audit, we made enquiries of the Directors and the Investment Manager to understand the extent of the potential impact of climate change risk on the company's financial statements. The Directors and Investment Manager concluded that the impact on the measurement and disclosures within the financial statements is not material because the company's investment portfolio is made up of level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the company's investment activities. We also considered the consistency of the climate change disclosures included in the Strategic Report with the financial statements and our knowledge from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£7,003,000 (2023: £6,482,000).
How we determined it	Approximately 1% of net assets.
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the company, and is a generally accepted auditing benchmark. This benchmark provides an appropriate and consistent year on year basis for our audit.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £5,252,000 (2023: £4,861,000) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £350,000 (2023: 324,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the directors' updated risk assessment and considering whether it addressed relevant threats;
- evaluating the directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the directors' assessment of the company's financial position in the context of its ability to meet future expected operating expenses and debt repayments, their assessment of liquidity as well as their review of the operational resilience of the company and oversight of key third-party service providers; and
- assessing the premium/discount at which the company's share price trades compared to the net asset value per share.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

– The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;

– The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;

– The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the company's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements;

– The directors' explanation as to their assessment of the company's prospects, the period this assessment covers and why the period is appropriate; and

– The directors' statement as to whether they have a reasonable expectation that the company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

– The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the company's position, performance, business model and strategy;

– The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and

– The section of the Annual Report describing the work of the Audit and Risk Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies (Guernsey) Law, 2008. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue (investment income and capital gains) or to increase net asset value. Audit procedures performed by the engagement team included:

- discussions with the Manager and the Audit and Risk Committee, including specific enquiry of known or suspected instances of non-compliance with laws and regulation and fraud where applicable;
- reviewing relevant meeting minutes, including those of the Audit and Risk Committee;
- assessment of the company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010, including recalculation of numerical aspects of the eligibility conditions;
- identifying and testing journal entries, in particular any material or revenue-impacting manual journal entries posted as part of the Financial Statement preparation process; and
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Section 262 of The Companies (Guernsey) Law, 2008 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

The Companies (Guernsey) Law, 2008 exception reporting

Under The Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

Colleen Local
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Recognised Auditor
London

23 October 2024

Statement of Comprehensive Income
for the year ended 31 August 2024

	Note	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Gains/(losses) on investments at fair value through profit or loss	2	–	89,708	89,708	–	(55,772)	(55,772)
Net foreign currency gains		–	1,266	1,266	–	3,262	3,262
Income from investments	3	33,824	510	34,334	36,430	386	36,816
Other income	3	161	–	161	142	–	142
Total income/(loss)		**33,985**	**91,484**	**125,469**	**36,572**	**(52,124)**	**(15,552)**
Management fee	4	(1,905)	(2,858)	(4,763)	(1,935)	(2,903)	(4,838)
Performance fee	4	–	(4,552)	(4,552)	–	–	–
Other administrative expenses	5	(1,170)	(3)	(1,173)	(1,130)	(3)	(1,133)
Profit/(loss) before finance costs and taxation		**30,910**	**84,071**	**114,981**	**33,507**	**(55,030)**	**(21,523)**
Finance costs	6	(1,075)	(1,611)	(2,686)	(854)	(1,280)	(2,134)
Profit/(loss) before taxation		**29,835**	**82,460**	**112,295**	**32,653**	**(56,310)**	**(23,657)**
Taxation	7	(1,899)	–	(1,899)	(2,254)	–	(2,254)
Net profit/(loss) and total comprehensive income/(expense)		**27,936**	**82,460**	**110,396**	**30,399**	**(56,310)**	**(25,911)**
Earnings/(losses) per share (pence)	9	**11.29**	**33.34**	**44.63**	**11.81**	**(21.88)**	**(10.07)**

The "Total" column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union. The "Revenue and Capital" columns represent supplementary information prepared under guidance set out in the statement of recommended practice for investment trust companies (the "SORP") issued by the Association of Investment Companies in July 2022.

The Company does not have any income or expense that is not included in net profit/(loss) for the year. Accordingly the "Net profit/(loss)" for the year is also the "Total comprehensive income/expense" for the year.

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

The notes on pages 55 to 67 form an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 August 2024

	Note	Share capital £'000	Treasury Share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2022		234,347	(25,991)	39	150,374	329,011	36,367	724,147
Repurchase of ordinary shares into treasury		–	(20,127)	–	–	–	–	(20,127)
Net (loss)/profit and total comprehensive (expenses)/income		–	–	–	–	(56,310)	30,399	(25,911)
Dividends paid in the year	8	–	–	–	–	–	(29,901)	(29,901)
At 31 August 2023		234,347	(46,118)	39	150,374	272,701	36,865	648,208
Repurchase of ordinary shares into treasury		–	(29,007)	–	–	–	–	(29,007)
Net profit and total comprehensive income		–	–	–	–	82,460	27,936	110,396
Dividends paid in the year	8	–	–	–	–	–	(29,282)	(29,282)
At 31 August 2024		**234,347**	**(75,125)**	**39**	**150,374**	**355,161**	**35,519**	**700,315**

The notes on pages 55 to 67 form an integral part of these financial statements.

Balance Sheet
at 31 August 2024

	Note	2024 £'000	2023 £'000
Non current assets			
Investments at fair value through profit or loss	10	735,607	676,323
Current assets	11		
Receivables		6,017	4,271
Cash and cash equivalents		6,942	11,000
		12,959	15,271
Total assets		**748,566**	**691,594**
Current liabilities			
Payables	12	(48,251)	(43,386)
Net assets		**700,315**	**648,208**
Equity attributable to equity holders			
Share capital	13	234,347	234,347
Treasury share reserve	14	(75,125)	(46,118)
Capital redemption reserve	14	39	39
Special reserve	14	150,374	150,374
Capital reserves	14	355,161	272,701
Revenue reserve	14	35,519	36,865
Total equity Shareholders' funds		**700,315**	**648,208**
Net asset value per share (pence)	15	**289.63**	**256.01**

The financial statements on pages 51 to 54 were approved by the Board of Directors on 23 October 2024 and signed on its behalf by:

Paul Meader
Director

The notes on pages 55 to 67 form an integral part of these financial statements.

Registered in Guernsey as a company limited by shares
Company registration number: 43298

Cash Flow Statement
for the year ended 31 August 2024

	2024 £'000	2023 £'000
Operating activities		
Profit/(loss) before finance costs and taxation	114,981	(21,523)
Adjustments for:		
Net foreign currency (gains)	(1,266)	(3,262)
(Gains)/losses on investments at fair value through profit or loss	(89,708)	55,772
Net sales of investments at fair value through profit or loss	29,282	20,161
Decrease in receivables	1,144	274
Increase in payables	4,559	10
Overseas taxation paid	(1,972)	(2,247)
Net cash inflow from operating activities before interest	**57,020**	**49,185**
Interest paid	(2,679)	(2,168)
Net cash inflow from operating activities	**54,341**	**47,017**
Financing activities		
Repurchase of ordinary shares into treasury	(28,969)	(20,022)
Dividends paid	(29,282)	(29,901)
Net cash outflow from financing activities	**(58,251)**	**(49,923)**
Decrease in cash and cash equivalents	**(3,910)**	**(2,906)**
Cash and cash equivalents at the start of the year	11,000	14,155
Effect of foreign exchange rates on cash and cash equivalents	(148)	(249)
Cash and cash equivalents at the end of the year	**6,942**	**11,000**

Dividends received during the year amounted to £35,326,000 (2023: £37,004,000) and bond and deposit interest receipts amounted to £171,000 (2023: £117,000).

The notes on pages 55 to 67 form an integral part of these financial statements.

1. Material Accounting Policies

(a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Guernsey Law 2008 and International Financial Reporting Standards ("IFRS"), which comprise standards and interpretations approved by the International Accounting Standards Board ("IASB"), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ("IASC"), that remain in effect and to the extent that they have been adopted by the European Union.

Where consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis compliant with presentational guidance set out in the statement of recommended practice for investment trust companies (the "SORP") issued by the Association of Investment Companies in July 2022.

The policies applied in these financial statements are consistent with those applied in the preceding year.

The Company's share capital is denominated in sterling and this is the currency in which its shareholders operate and expenses are generally paid. The Board has therefore determined that sterling is the functional currency and the currency in which the financial statements are presented. Amounts have been rounded to the nearest thousand.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments held at fair value through profit or loss. The directors believe that the Company has adequate resources to continue operating to 30 November 2025, which is at least 12 months from the date of approval of these financial statements. In forming this opinion, the directors have taken into consideration: the controls and monitoring processes in place; the Company's level of debt and other payables; the low level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; and that the Company's assets comprise cash and readily realisable securities quoted in active markets. In forming this opinion, the directors have also considered any potential impact of climate change, inflation, and high interest rates on the viability of the Company.

Further details of directors' considerations regarding this are given in the Chairman's Statement, Investment Manager's Review, Going Concern Statement, Viability Statement, and under the Principal and emerging risks heading on page 24.

The material accounting polices adopted are set out below.

(b) Presentation of the Statement of Comprehensive Income

In order to better reflect the activities of an investment company and in accordance with the recommendations of the SORP, supplementary information has been presented which analyses items in the Statement of Comprehensive Income between those which are income in nature and those which are capital in nature.

(c) Investments at fair value through profit or loss

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment objective and information is provided internally on that basis to the Company's Board of directors. Accordingly, investments are designated upon initial recognition as investments at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which are quoted bid market prices for investments traded in active markets.

Investments that are unlisted or not actively traded are valued using a variety of techniques to determine their fair value; all such valuations are reviewed by both the AIFM's fair value pricing committee and by the directors.

Investments are recognised and derecognised on the trade date where a purchase or sale is under a contract whose terms require delivery within a timeframe established by the market concerned.

(d) Accounting for reserves

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

Foreign exchange gains and losses on cash and deposit balances are included in the Statement of Comprehensive Income and in capital reserves within Gains and losses on sales of investments. Unrealised exchange gains and losses on foreign currency loans are included in the Statement of Comprehensive Income and dealt with in capital reserves within Holding gains and losses on investments.

(e) Repurchases of shares into treasury and subsequent reissues

The cost of repurchasing shares into Treasury is debited to "Treasury share reserve". The sales proceeds of Treasury shares reissued are credited back to Treasury share reserve until the debit balance on that reserve is extinguished and thereafter to capital reserves.

(f) Income

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

Income from fixed interest debt securities is recognised using the effective interest method.

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

1. Material accounting policies continued

(g) Expenses

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

– The management fee is allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.

– Any performance fee is allocated 100% to capital.

– Expenses incidental to the purchase or sale of investments are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transaction costs are given in note 10 on page 59.

(h) Finance costs

Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest method.

Finance costs are allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.

(i) Other financial assets and liabilities

Cash and cash equivalents may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Other receivables are non interest bearing, short-term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Interest bearing bank loans are initially recognised at cost, being the proceeds received net of direct issue costs, and subsequently at amortised cost.

(j) Taxation

The taxation charge in the Statement of Comprehensive Income comprises irrecoverable overseas withholding tax deducted from dividends receivable.

Current taxation comprises of the tax withheld at the source on foreign income, with adjustments for any amounts recoverable under tax treaties. The taxation is recorded in the revenue section of the Statement of Comprehensive Income, except when it pertains to capital related items where it will be accounted for in the capital section of the statement.

Deferred taxation represents the taxation liability or asset arising from anticipated variations in the treatment of items for accounting purposes compared to tax purposes. The calculation is based on tax rates that have been officially approved or are highly likely for the period when the tax becomes payable. Deferred tax assets are recognised when there is an expectation of having future taxable profits.

(k) Foreign currency

The results and financial position are expressed in sterling. Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transaction. At each Balance Sheet date, monetary items and non monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at 1600 hours on the Balance Sheet date. Gains or losses arising on translation are included in net profit or loss for the year and presented as revenue or capital as appropriate.

(l) New and amended accounting standards

At the date of authorisation of these financial statements there are no new or revised Standards or Interpretations, which are in issue but which are not yet effective, which the Board expects to have any significant effect on the Company's financial statements.

(m) Significant accounting judgments, estimates and assumptions

Other than the directors' assessment of going concern, no significant judgements, estimates or assumptions have been required in the preparation of these financial statements in accordance with IFRS.

(n) Dividends payable to Shareholders

Interim dividends to Shareholders are recorded in the financial statements when paid.

2. Gains/(losses) on investments held at fair value through profit or loss

	2024 £'000	2023 £'000
Gains on sales of investments based on historic cost	14,373	20,618
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	(4,657)	(24,198)
Gains/(losses) on sales of investments based on the carrying value at the previous Balance Sheet date	**9,716**	**(3,580)**
Net movement in investment holding gains and losses	79,992	(52,192)
Gains/(losses) on investments held at fair value through profit or loss	**89,708**	**(55,772)**

3. Income

	2024 £'000	2023 £'000
Income from investments		
Overseas dividends	33,824	36,430
Other income		
Deposit interest	161	142
Total income	**33,985**	**36,572**
Capital		
Special dividend allocated to capital	510	386

4. Management and performance fee

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	1,905	2,858	4,763	1,935	2,903	4,838
Performance fee	–	4,552	4,552	–	–	–
	1,905	**7,410**	**9,315**	**1,935**	**2,903**	**4,838**

The basis for calculating the investment management fee and any performance fee is set out in the Directors' Report on pages 32 to 33.

5. Other administrative expenses

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Administration expenses	764	3	767	717	3	720
Directors' fees	192	–	192	203	–	203
Secretarial fee	150	–	150	150	–	150
Auditors' remuneration for audit services[1]	64	–	64	60	–	60
	1,170	**3**	**1,173**	**1,130**	**3**	**1,133**

[1]No amounts are payable to the auditor for non-audit services.

6. Finance costs

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans and overdrafts	**1,075**	**1,611**	**2,686**	**854**	**1,280**	**2,134**

With effect from 1 September 2022, the Board determined that the finance costs will be allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio. Prior to this date, these expenses had been allocated 30% to revenue and 70% to capital.

7. Taxation

(a) Analysis of tax charge for the year

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Irrecoverable overseas tax	1,899	–	1,899	2,254	–	2,254
Taxation for the year	**1,899**	**–**	**1,899**	**2,254**	**–**	**2,254**

The Company became resident in the United Kingdom for taxation purposes with effect from 1 September 2020. The Company has no corporation tax liability for the year ended 31 August 2024 (2023: £nil).

7. Taxation continued

(b) Factors affecting tax charge for the year

The tax assessed for the year ended 31 August 2024 is lower (2023: higher) than the Company's applicable rate of corporation tax for that year of 25% (2023: 21.5%).

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

	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000	2023 Revenue £'000	2023 Capital £'000	2023 Total £'000
Net return/(loss) before taxation	29,835	82,460	112,295	32,653	(56,310)	(23,657)
Net return/(loss) before taxation multiplied by the Company's applicable rate of corporation tax for the year of 25% (2023: 21.5%)	7,459	20,615	28,074	7,020	(12,107)	(5,087)
Effects of:						
(Gains) on investments not taxable/capital losses on investments not deductible	–	(22,743)	(22,743)	–	11,290	11,290
Revenue not chargeable to corporation tax	(7,672)	(127)	(7,799)	(6,917)	(83)	(7,000)
Expenses disallowed	–	(1)	(1)	–	1	1
Unrelieved expenses	236	2,256	2,492	–	899	899
Tax relief on overseas tax suffered	(23)	–	(23)	–	–	–
Double tax relief	–	–	–	(103)	–	(103)
Irrecoverable overseas tax	1,899	–	1,899	2,254	–	2,254
Taxation for the year	**1,899**	**–**	**1,899**	**2,254**	**–**	**2,254**

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £6,205,000 (2023: £3,713,000) based on a main rate of corporation tax of 25%. In its 2020 budget, the UK government announced that the main rate of corporation tax would increase to 25% for the fiscal year beginning on 1 April 2023.

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

The Company was granted status as an investment trust company by HMRC effective from 1 September 2020, and intends to continue to meet the conditions required to retain that status. Therefore, no provision has been made for deferred UK capital gains tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. Dividends

(a) Dividends paid and declared

	2024 £'000	2023 £'000
2023 fourth interim dividend of 5.80p (2022: 5.60p)	14,547	14,527
First interim dividend of 2.00p (2023: 2.00p)	4,982	5,165
Second interim dividend of 2.00p (2023: 2.00p)	4,899	5,124
Third interim dividend of 2.00p (2023: 2.00p)	4,854	5,085
Total dividends paid in the year	**29,282**	**29,901**

	2024 £'000	2023 £'000
Fourth interim dividend declared of 6.00p (2023: 5.80p)	**14,508**	**14,685**

Under the Companies (Guernsey) Law 2008, the Company may pay dividends out of both capital and revenue reserves, subject to passing a solvency test. However all dividends paid and declared to date have been paid, or will be paid, out of revenue profits. The Company has passed a solvency declaration for all dividends paid to date.

The fourth interim dividend declared in respect of the year ended 31 August 2023 differs from the amount actually paid due to shares repurchased and cancelled after the Balance Sheet date but prior to the share register record date.

(b) Dividends for the purposes of Section 1158 of the Corporation Tax Act 2010 ("Section 1158")

The Company was granted status as an investment trust company by HMRC effective from 1 September 2020, and intends to continue to meet the minimum distribution requirements of Section 1158, in order to retain that status. Those requirements are considered on the basis of dividends declared in respect of the financial year as shown below. The revenue available for distribution by way of dividend for the year is £27,935,000 (2023: £30,399,000).

	2024 £'000	2023 £'000
First interim dividend of 2.00p (2023: 2.00p)	4,982	5,165
Second interim dividend of 2.00p (2023: 2.00p)	4,899	5,124
Third interim dividend of 2.00p (2023: 2.00p)	4,854	5,085
Fourth interim dividend of 6.0p (2023: 5.80p)	14,508	14,685
Total dividends of 12.0p (2023: 11.80p)	**29,243**	**30,059**

9. Earnings/(losses) per share

	2024 £'000	2023 £'000
Revenue profit	27,936	30,399
Capital profit/ (loss)	82,460	(56,310)
Total profit/(loss)	**110,396**	**(25,911)**
Weighted average number of ordinary shares in issue during the year	247,361,808	257,369,408
Revenue earnings per share (pence)	11.29	11.81
Capital earnings/(losses) per share (pence)	33.34	(21.88)
Total earnings/(losses) per share (pence)	**44.63**	**(10.07)**

10. Investments at fair value through profit or loss

	2024 £'000	2023 £'000
Opening book cost	624,190	621,849
Opening investment holding gains	52,133	128,523
Opening fair value	**676,323**	**750,372**
Analysis of transactions made during the year		
Purchases at cost	136,746	124,788
Sales proceeds	(167,170)	(143,065)
Gains/(losses) on investments held at fair value through profit or loss	89,708	(55,772)
Closing fair value	**735,607**	**676,323**
Closing book cost	608,139	624,190
Closing investment holding gains	127,468	52,133
Closing fair value	**735,607**	**676,323**

All investments are listed on a recognised stock exchange.

The Company received £167,170,000 (2023: £143,065,000) from disposal of investments in the year. The book cost of these investments when they were purchased was £152,797,000 (2023: £122,447,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

The following transaction costs, mainly comprising brokerage commissions, were incurred during the year:

	2024 £'000	2023 £'000
On acquisitions	102	114
On disposals	278	221
	380	**335**

11. Current assets

Receivables

	2024 £'000	2023 £'000
Dividends and interest receivable	2,962	3,992
Securities sold awaiting settlement	3,017	199
Other receivables	38	80
	6,017	**4,271**

The directors consider that the carrying amount of receivables approximates to their fair value.

Cash and cash equivalents

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

12. Current liabilities

Payables

	2024 £'000	2023 £'000
Bank loan	38,045	39,459
Securities purchased awaiting settlement	3,757	2,081
Repurchase of ordinary shares into treasury awaiting settlement	405	367
Other payables and accruals	6,044	1,479
	48,251	**43,386**

The bank loan comprises US$50 million drawn down on the Company's £100 million multicurrency credit facility with the Bank of Nova Scotia. The facility is secured and drawings are subject to covenants and restrictions which are customary for a facility of this nature and all of these have been complied with.

Further details of the facility are given in note 20(a)ii on page 64.

The bank loan at the prior year end comprised US$50 million drawn down on the Company's £100 million multicurrency credit facility with Bank of Nova Scotia.

13. Share capital

	2024 £'000	2023 £'000
Ordinary shares of 1p each, allotted, called-up and fully paid:		
Opening balance of 253,193,024 (2023: 261,203,024) shares, excluding shares held in treasury	188,229	208,356
Repurchase of 11,395,000 (2023: 8,010,000) shares into treasury	(29,007)	(20,127)
Subtotal of 241,798,024 (2023: 253,193,024) shares, excluding shares held in treasury	159,222	188,229
29,435,000 (2023: 18,040,000) shares held in treasury	75,125	46,118
Closing balance of 271,233,024 (2023: 271,233,024) shares	**234,347**	**234,347**

The ordinary shares rank *pari passu*, and each share carries one vote in the event of a poll at a general meeting. The Company has authority to issue an unlimited number of ordinary shares.

During the year, the Company purchased 11,395,000 of its own shares, nominal value £113,950 to hold in treasury for a total consideration of £29,007,000 representing 4.5% of the shares outstanding at the beginning of the year. The reason for these share purchases was to seek to manage the volatility of the share price discount to net asset value per share.

14. Reserves

	Share capital £'000	Treasury Share reserve £'000	Capital redemption reserve £'000	Capital reserves: Special reserve £'000	Capital reserves: Gains and losses on sales of investments £'000	Capital reserves: Investment holding gains and losses £'000	Revenue reserve £'000
At 1 September 2023	234,347	(46,118)	39	150,374	218,977	53,724	36,865
Gains on sales of investments based on the carrying value at the previous Balance Sheet date	–	–	–	–	9,716	–	–
Movement in investment holding gains and losses	–	–	–	–	–	79,992	–
Transfer on disposal of investments	–	–	–	–	4,657	(4,657)	–
Realised exchange losses on cash and short-term deposits	–	–	–	–	(148)	–	–
Exchange gains on foreign currency credit facility	–	–	–	–	–	1,414	–
Repurchase of ordinary shares into treasury	–	(29,007)	–	–	–	–	–
Management fee, finance costs and other expenses charged to capital	–	–	–	–	(4,472)	–	–
Performance fee charged to capital	–	–	–	–	(4,552)	–	–
Dividends allocated to capital	–	–	–	–	510	–	–
Dividends paid in the year	–	–	–	–	–	–	(29,282)
Net revenue profit for the year	–	–	–	–	–	–	27,936
At 31 August 2024	**234,347**	**(75,125)**	**39**	**150,374**	**224,688**	**130,473**	**35,519**

	Share capital £'000	Treasury Share reserve £'000	Capital redemption reserve £'000	Capital reserves: Special reserve £'000	Capital reserves: Gains and losses on sales of investments £'000	Capital reserves: Investment holding gains and losses £'000	Revenue reserve £'000
At 1 September 2022	234,347	(25,991)	39	150,374	202,408	126,603	36,367
Losses on sales of investments based on the carrying value at the previous Balance Sheet date	–	–	–	–	(3,580)	–	–
Movement in investment holding gains and losses	–	–	–	–	–	(52,192)	–
Transfer on disposal of investments	–	–	–	–	24,198	(24,198)	–
Realised exchange losses on cash and short-term deposits	–	–	–	–	(249)	–	–
Exchange gains on foreign currency credit facility	–	–	–	–	–	3,511	–
Repurchase of ordinary shares into treasury	–	(20,127)	–	–	–	–	–
Management fee, finance costs and other expenses charged to capital	–	–	–	–	(4,186)	–	–
Dividends allocated to capital	–	–	–	–	386	–	–
Dividends paid in the year	–	–	–	–	–	–	(29,901)
Net revenue profit for the year	–	–	–	–	–	–	30,399
At 31 August 2023	**234,347**	**(46,118)**	**39**	**150,374**	**218,977**	**53,724**	**36,865**

Under The Companies (Guernsey) Law 2008, the Company may buy back its own shares, or pay dividends, out of any reserves, subject to passing a solvency test. This test considers whether, immediately after the payment, the Company's assets exceed its liabilities and whether it will be able to pay its debts when they fall due.

15. Net asset value per share

	2024	2023
Total equity shareholders' funds (£'000)	700,315	648,208
Shares in issue at the year end	241,798,024	253,193,024
Net asset value per share (pence)	289.63	256.01

16. Contingent liabilities and capital commitments

There were no contingent liabilities or capital commitments at the Balance Sheet date (2023: none).

17. Transactions with the Manager

The Company has appointed Schroder Unit Trusts Limited ("the Manager"), a wholly owned subsidiary of Schroders plc, to provide investment management, accounting, secretarial and administration services. Details of the management and performance fee agreement are given in the Directors' Report on page 32. The management fee payable in respect of the year amounted to £4,763,000 (2023: £4,838,000), of which £1,241,000 (2023: £1,148,000) was outstanding at the year end. The company secretarial fee payable to the Manager amounted to £150,000 (2023: £150,000) of which £37,500 (2023: £37,500) was outstanding at the year end. The fee payable in respect of the year amounted to £4,552,000 (2023: nil) and the whole of this amount was outstanding at the year end.

If the Company invests in funds managed or advised by the Manager or any of its associated companies, any fee earned by the Manager from those funds is deducted from the management fee payable by the Company. There have been no such investments during the current or comparative year.

18. Related party transactions

Details of the remuneration payable to directors are given in the Directors' Remuneration Report on page 41 and details of directors' shareholdings are given in the Directors' Remuneration Report on page 42. Details of transactions with the Manager are given in note 17 above. There have been no other transactions with related parties during the year (2023: nil).

19. Disclosures regarding financial instruments measured at fair value

The Company's portfolio of investments, which may comprise investments in equities, equity linked securities, government bonds and derivatives, are carried in the Balance Sheet at fair value. Other financial instruments held by the Company may comprise amounts due to or from brokers, dividends and interest receivable, accruals and cash at bank.

For these instruments, the Balance Sheet amount is a reasonable approximation of fair value.

The investments are categorised into a hierarchy comprising the following three levels:

Level 1 – valued using quoted prices in active markets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(c) on page 55.

At 31 August 2024, the Company's investment portfolio was categorised as follows:

	2024			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities and equity linked securities	719,252	16,355	–	735,607
Total	**719,252**	**16,355**	**–**	**735,607**

Level 2 investments comprise one holding in Midea Group warrants 10/07/2025. There were no transfers between Levels 1, 2 or 3 during the year ended 31 August 2024.

	2023			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities and equity linked securities	658,116	18,207	–	676,323
Total	**658,116**	**18,207**	**–**	**676,323**

Level 2 investments comprise one holding in Midea Group warrants 08/07/2024. There were no transfers between Levels 1, 2 or 3 during the year ended 31 August 2023.

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

The Company's investment objective is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets. These risks include market risk (comprising currency risk, interest rate risk and market price risk), liquidity risk and credit risk. The directors' policy for managing these risks is set out below. The Board coordinates the Company's risk management policy.

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

The Company's classes of financial instruments are as follows:

- investments in equities and equity-related securities of companies in the Asia Pacific region which are held in accordance with the Company's investment objective;
- short-term receivables, payables and cash arising directly from its operations; and
- a multicurrency credit facility with Bank of Nova Scotia, the purpose of which is to assist in financing the Company's operations.

(a) Market risk

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

(i) Currency risk

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

Management of currency risk

The Manager monitors the Company's exposure to foreign currencies and regularly reports to the Board. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed.

Income denominated in foreign currencies is converted into sterling on receipt.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 31 August are shown below. The Company's investments (which are not monetary items) have been included separately in the analysis so as to show the overall level of exposure.

	2024									
	Japanese yen £'000	Hong Kong dollars £'000	Australian dollars £'000	Singapore dollars £'000	Taiwan dollars £'000	Thai baht £'000	New Zealand dollars £'000	US dollars £'000	Other £'000	Total £'000
Current assets	–	2,770	2,117	651	2,774	–	–	521	374	9,207
Current liabilities	–	(2,290)	(1,128)	–	–	–	–	(38,045)	(740)	(42,203)
Foreign currency exposure on net monetary items	**–**	**480**	**989**	**651**	**2,774**	**–**	**–**	**(37,524)**	**(366)**	**(32,996)**
Investments at fair value through profit or loss[1]	7,986	132,790	110,040	111,422	163,787	7,977	–	16,355	154,185	704,542
Total net foreign currency exposure	**7,986**	**133,270**	**111,029**	**112,073**	**166,561**	**7,977**	**–**	**(21,169)**	**153,819**	**671,546**

	2023									
	Japanese yen £'000	Hong Kong dollars £'000	Australian dollars £'000	Singapore dollars £'000	Taiwan dollars £'000	Thai baht £'000	New Zealand dollars £'000	US dollars £'000	Other £'000	Total £'000
Current assets	–	991	1,585	1,881	668	143	–	1,213	493	6,974
Current liabilities	–	(150)	(702)	(1,380)	–	–	–	(39,466)	–	(41,698)
Foreign currency exposure on net monetary items	**–**	**841**	**883**	**501**	**668**	**143**	**–**	**(38,253)**	**493**	**(34,724)**
Investments at fair value through profit or loss[1]	13,065	135,215	88,660	98,987	123,753	13,888	3,591	18,207	143,375	638,741
Total net foreign currency exposure	**13,065**	**136,056**	**89,543**	**99,488**	**124,421**	**14,031**	**3,591**	**(20,046)**	**143,868**	**604,017**

[1]Excluding any stocks priced in sterling.

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

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

(a) Market risk continued

(i) Currency risk continued

Foreign currency sensitivity

The following tables illustrate the sensitivity of net profit for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each Balance Sheet date and assumes a 10% (2023: 10%) appreciation or depreciation in sterling against the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

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

	2024 £'000	2023 £'000
Statement of Comprehensive Income – net profit/(loss)		
Net revenue profit	3,101	3,346
Net capital (loss)	(2,415)	(3,562)
Net total profit/(loss) for the year and net assets/(liabilities)	**686**	**(216)**

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

	2024 £'000	2023 £'000
Statement of Comprehensive Income – net (loss)/profit		
Net revenue (loss)	(3,101)	(3,346)
Net capital profit	2,415	3,562
Net total profit/(loss) for the year and net assets/(liabilities)	**(686)**	**216**

In the opinion of the directors, the above sensitivity analysis with respect to monetary financial assets and liabilities is broadly representative of the whole of the current and comparative year. The sensitivity of the Company's investments to changes in foreign currency exchange rates is subsumed into market price risk sensitivity on page 65.

(ii) Interest rate risk

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

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's gearing policy is to limit gearing to 25% where gearing is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

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

Interest rate exposure

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

	2024 £'000	2023 £'000
Exposure to floating interest rates:		
Cash and cash equivalents	6,942	11,000
Other payables: drawings on the credit facility	(38,045)	(39,459)
Total exposure	**(31,103)**	**(28,459)**

Cash deposits at call earn interest based on the Sterling Overnight Interest Average ("SONIA") (2023: SONIA) rates.

The Company has arranged a £100 million credit facility with The Bank of Nova Scotia, effective from 30 July 2024. Interest is payable at the aggregate of the compounded Risk Free Rate ("RFR") for the relevant currency and loan period, plus a margin. Amounts are normally drawn down on the facility for a one month period, at the end of which it may be rolled over or adjusted. At 31 August 2024, the Company had drawn down US$50.0 million (£38.0 million) for a one month period, at an interest rate of 6.38% per annum.

The above year end amounts are not representative of the exposure to interest rates during the year as the level of cash balances and drawings on the credit facility have fluctuated. The maximum and minimum net interest rate exposure during the year has been as follows:

	2024 £'000	2023 £'000
Maximum debit interest rate exposure during the year – net debt	(36,485)	(36,718)
Minimum debit interest rate exposure during the year – net debt	(22,131)	(28,459)

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.0% (2023: 1.0%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the Balance Sheet date with all other variables held constant.

	2024		2023	
	1.0% increase in rate £'000	1.0% decrease in rate £'000	1.0% increase in rate £'000	1.0% decrease in rate £'000
Statement of Comprehensive Income – net (loss)/profit				
Net revenue (loss)/profit	(83)	83	(48)	48
Net capital (loss)/profit	(228)	228	(237)	237
Net total (loss)/profit	**(311)**	**311**	**(285)**	**285**
Net (liabilities)/assets	**(311)**	**311**	**(285)**	**285**

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

(iii) Market price risk

Market price risk includes changes in market prices which may affect the value of the Company's investments.

Management of market price risk

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

Market price risk exposure

The Company's total exposure to changes in market prices at 31 August comprised the following:

	2024 £'000	2023 £'000
Investments held at fair value through profit or loss	735,607	676,323

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

Concentration of exposure to market price risk

An analysis of the Company's investments is given on page 15. This shows that the portfolio principally comprises investments quoted on Asian stock markets. Accordingly there is a concentration of exposure to that region. However it should be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

Market price risk sensitivity

The following table illustrates the sensitivity of the net profit for the year and net assets to an increase or decrease of 20% (2023: 20%) in the fair value of the Company's equities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities, adjusting for changes in the management fee, but with all other variables held constant.

	2024		2023	
	20% increase in fair value £'000	20% decrease in fair value £'000	20% increase in fair value £'000	20% decrease in fair value £'000
Statement of Comprehensive Income – net (loss)/profit				
Net revenue (loss)/profit	(412)	412	(379)	379
Net capital profit/(loss)	146,503	(146,503)	134,696	(134,696)
Net total profit/(loss) for the year and net assets/(liabilities)	**146,091**	**(146,091)**	**134,317**	**(134,317)**

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

(b) Liquidity risk

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

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of a credit facility.

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

Liquidity risk exposure

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

	2024 Three months or less £'000	2023 Three months or less £'000
Other payables		
Bank loan – including interest	38,251	39,680
Securities purchased awaiting settlement	3,757	2,081
Other payables and accruals	6,037	1,479
	48,045	**43,240**

(c) Credit risk

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

Management of credit risk

This risk is managed as follows:

Portfolio dealing

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

The Company may sometimes invest in equity linked securities, such as low exercise price options, warrants, participatory notes and depositary receipts, which provide synthetic equity exposure where the Company may otherwise find it problematic to invest in the underlying assets directly. They have the same economic risks as a direct investment, except that there is a counterparty risk to the issuing investment bank. Counterparties must be approved by the Manager's Credit Risk Team based on a list of criteria and are monitored on an ongoing basis by Schroders' Portfolio Compliance Team.

Exposure to the Custodian

The Custodian of the Company's assets is HSBC Bank plc which has Long-Term Credit Ratings of AA– with Fitch and A1 with Moody's.

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

Credit risk exposure

The following amounts shown in the Balance Sheet represent the maximum exposure to credit risk at the current and comparative year end.

	2024		2023	
	Balance sheet £'000	Maximum exposure £'000	Balance sheet £'000	Maximum exposure £'000
Current assets				
Receivables – dividends and interest	2,962	2,962	3,992	3,992
Securities sold awaiting settlement	3,017	3,017	199	199
Cash and cash equivalents	6,942	6,942	11,000	11,000
	12,921	**12,921**	**15,191**	**15,191**

No items included in "Receivables" are past their due date and none have been provided for.

21. Capital management policies and procedures

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

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

	2024 £'000	2023 £'000
Debt		
Bank loan	38,045	39,459
Equity		
Share capital	234,347	234,347
Reserves	465,968	413,861
	700,315	**648,208**
Total debt and equity	**738,360**	**687,667**

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

The Board's policy is to limit gearing to 25%. Gearing for this purpose is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

	2024 £'000	2023 £'000
Borrowings used for investment purposes, less cash	31,103	28,459
Net assets	700,315	648,208
Gearing	4.4%	4.4%

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

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

Other Information (Unaudited)

The Annual General Meeting ("AGM") of the Company will be held on Tuesday, 3 December 2024 at 12.00 pm. The formal Notice of Meeting is set out on page 71.

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

Ordinary business

Resolutions 1 to 8 are all ordinary resolutions. Resolution 2 concerns the Directors' Remuneration Report, on pages 41 to 43.

Resolutions 3 to 6 invite Shareholders to elect and re-elect directors for another year, following the recommendations of the Nomination and Remuneration Committee, set out on pages 39 and 40 (their biographies are set out on pages 30 and 31). Resolutions 7 and 8 concern the re-appointment and remuneration of the Company's auditors, discussed in the Audit and Risk Committee report on pages 35 to 37.

Special business

Resolution 9 – approval of the Company's dividend policy (ordinary resolution)

In line with corporate governance best practice the Board is putting the Company's dividend policy to Shareholders for approval. No change to the Company's dividend policy is proposed at this time.

Resolution 10 – authority to make market purchases of the Company's own shares (special resolution)

At the AGM held on 4 December 2023, the Company was granted authority to make market purchases of up to 37,620,856 ordinary shares for cancellation or holding in treasury. As at 22 October 2024, 15,625,000 ordinary shares were bought back under this authority and the Company therefore has remaining authority to purchase up to 12,675,000 ordinary shares. This authority will expire at the forthcoming AGM.

The directors believe it is in the best interests of the Company and its Shareholders to have a general authority for the Company to buy back its ordinary shares in the market as they keep under review the share price discount to NAV per share and the purchase of ordinary shares. A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the ordinary shares in issue as at 22 October 2024 (excluding treasury shares). The directors will exercise this authority only if the directors consider that any purchase would be for the benefit of the Company and its Shareholders, taking into account relevant factors and circumstances at the time. Any shares so purchased would be cancelled or held in treasury for potential reissue. If renewed, the authority to be given at the 2024 AGM will lapse at the conclusion of the AGM in 2025 unless renewed, varied or revoked earlier.

Resolution 11 – disapplication of pre-emption rights (extraordinary resolution)

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

An extraordinary resolution will be proposed at the forthcoming AGM to authorise the directors to allot shares up to a maximum aggregate nominal amount of £237,568 (being 10% of the issued share capital ex treasury as at 22 October 2024) and to give the directors authority to allot securities for cash on a non pre-emptive basis up to a maximum aggregate nominal amount of £237,568 (being 10% of the Company's issued share capital ex treasury as at 22 October 2024).

The directors do not intend to allot shares pursuant to these authorities other than to take advantage of opportunities in the market as they arise and only if they believe it to be advantageous to the Company's existing Shareholders to do so and when it should not result in any dilution of NAV per share. If approved, both of these authorities will expire at the conclusion of the AGM in 2025 unless renewed, varied or revoked earlier.

Recommendations

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

Notice of Annual General Meeting

NOTICE is hereby given that the annual general meeting of Schroder Oriental Income Fund Limited will be held on 3 December 2024 at 12.00 pm at 1 London Wall Place, London EC2Y 5AU to consider and, if thought fit, to pass the following resolutions, of which resolutions 1 to 9 will be proposed as ordinary resolutions. Resolution 10 will be proposed as a special resolution and resolution 11 will be proposed as an extraordinary resolution:

1. To receive the Directors' Report and the audited accounts for the year ended 31 August 2024.
2. To approve the Directors' Remuneration Report for the year ended 31 August 2024.
3. To approve the election of Sam Davis as a director of the Company.
4. To approve the re-election of Alexa Coates as a director of the Company.
5. To approve the re-election of Isabel Liu as a director of the Company.
6. To approve the re-election of Nick Winsor as a director of the Company.
7. To re-appoint PricewaterhouseCoopers LLP as the Company's auditors.
8. To authorise the directors to determine the remuneration of PricewaterhouseCoopers LLP as auditors to the Company.
9. To approve the Company's dividend policy as set out on page 19 of the Annual Report and Accounts.
10. To consider and, if thought fit, to pass the following resolution as a special resolution:

    "That the Company be and is hereby generally and unconditionally authorised in accordance with section 315 of The Companies (Guernsey) Law, 2008 (as amended), to make market purchases of ordinary shares of 1p each in the capital of the Company ("Share") at whatever discount the prevailing market price represents to the prevailing net asset value per share, provided that:

    (a) the maximum number of Shares hereby authorised to be purchased shall be 35,611,447, representing 14.99% of the issued share capital (ex treasury) as at 22 October 2024;

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

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

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

    (c) the minimum price which may be paid for a Share is 1p, being the nominal value per Share;

    (d) the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company in 2025 (unless previously renewed, varied or revoked prior to such date);

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

    (f) Any Shares so purchased will be held in treasury or cancelled."

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

    "That the Board be and is hereby authorised in accordance with Section 291 of The Companies (Guernsey) Law, 2008 (as amended) to allot ordinary shares for cash and/or sell treasury shares up to 23,756,802 ordinary shares of 1p each in aggregate, representing 10% of the share capital in issue (ex treasury) on 22 October 2024, for cash and the right of Shareholders to receive a pre-emptive offer in respect of such ordinary shares shall be excluded pursuant to Article 3.24 of the Company's articles of incorporation, provided that this authority shall expire (unless previously renewed, varied or revoked by the Company in general meeting) from the conclusion of the annual general meeting of the Company to be held in 2025 save that the Board may allot ordinary shares for cash or sell treasury shares after the expiry of this authority in pursuance of an offer or agreement made by the Company before such expiry that would or might require ordinary shares to be allotted or treasury shares to be sold after such expiry."

By order of the Board
For and on behalf of

Schroder Investment Management Limited
Company Secretary

23 October 2024

PO Box 208
Arnold House
St Julian's Avenue
St Peter Port
Guernsey GY1 3NF

Registered Number: 43298

1. An ordinary shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and (insofar as permitted by the Company's articles of incorporation) to vote instead of him/her.

   A proxy need not be a member. A form of proxy is enclosed for Ordinary Shareholders which should be completed and returned to the Company's registrar, care of Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, not later than 48 hours before the time fixed for the meeting. Completion of the proxy will not preclude an ordinary shareholder from attending and voting in person.

   To appoint more than one proxy, an additional proxy form(s) may be obtained by contacting the Registrar's helpline on 0370 707 4040 or you may photocopy this form. Please indicate in the box next to the proxy holder's name (see reverse) the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by marking the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.

2. The biographies of each of the directors offering themselves for re-election are set out on pages 30 and 31 of the annual report and accounts for the year ended 31 August 2024.

3. As at 22 October 2024, the Company had 271,233,024 ordinary shares of 1p each in issue (33,665,000 shares were held in treasury). Accordingly, the total number of voting rights in the Company on 22 October 2024, was 237,568,024.

4. The Company's privacy policy is available on its webpages http://www.schroders.co.uk/orientalincome. Shareholders can contact Computershare for details of how Computershare processes their personal information as part of the AGM.

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

6. Pursuant to Regulation 41 of the Uncertificated Securities (Guernsey) Regulations 2009, entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company at close of business on the day which is two days before the day of the meeting. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.

7. To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the issuer's agent (ID number 3RA50) not later than two working days (excluding non working days) before the time appointed for holding the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 34(1) of the Uncertificated Securities (Guernsey) Regulations 2009.

The terms and performance measures below are those commonly used by investment companies to assess values, investment performance and operating costs. Some of the financial measures below are classified as Alternative Performance Measures as defined by the European Securities and Markets Authority, and some numerical calculations are given for those.

Net asset value ("NAV") per share*

The NAV per share of 289.63p (2023: 256.01p) represents the net assets attributable to equity shareholders of £700,315,000 (2023: £648,208,000) divided by the number of shares in issue of 241,798,024 (2023: 253,193,024).

The change in the NAV amounted to 13.1% (2023: -7.7%) over the year. However, this performance measure excludes the positive impact of dividends paid out by the Company during the year.

When these dividends are factored into the calculation, the resulting performance measure is termed the "total return". Total return calculations and definitions are given below.

Total return*

The return on the share price or net asset value per ordinary share taking into account the rise and fall of share prices and the dividends paid to shareholders. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either the assets of the Company at its NAV per share at the time the shares were quoted ex-dividend (to calculate the NAV per share total return) or in additional shares of the Company (to calculate the share price total return).

The NAV total return for the period ended 31 August 2024 is calculated as follows:

NAV at 31/8/23	256.01p
NAV at 31/8/24	289.63p

Dividend	XD date	NAV on XD date	Factor	Cumulative factor
5.8p	16/11/23	257.58p	1.0225	1.0225
2.0p	01/02/24	256.89p	1.0078	1.0305
2.0p	25/04/24	274.13p	1.0073	1.0380
2.0p	18/07/24	292.21p	1.0068	1.0451

NAV total return, being the closing NAV, multiplied by the cumulative factor, expressed as a percentage increase in the opening NAV	18.2%

The NAV total return for the year ended 31 August 2023 is calculated as follows:

NAV at 31/8/22	277.24p
NAV at 31/8/23	256.01p

Dividend	XD date	NAV on XD date	Factor	Cumulative factor
5.6p	10/11/22	250.92p	1.0223	1.0223
2.0p	26/01/23	286.60p	1.0070	1.0296
2.0p	20/04/23	271.96p	1.0077	1.0370
2.0p	03/08/23	264.36p	1.0076	1.0449

NAV total return, being the closing NAV, multiplied by the cumulative factor, expressed as a percentage increase in the opening NAV	–3.5%

The share price total return for the year ended 31 August 2024 is calculated as follows:

Share price at 31/8/23	244.50p
Share price at 31/8/24	269.00p

Dividend	XD date	NAV on XD date	Factor	Cumulative factor
5.8p	16/11/23	243.00p	1.0239	1.0239
2.0p	01/02/24	241.00p	1.0083	1.0324
2.0p	25/04/24	256.00p	1.0078	1.0404
2.0p	18/07/24	278.50p	1.0072	1.0479

Share price total return, being the closing share price multiplied by the cumulative factor, expressed as a percentage increase in the opening share price	15.3%

The share price total return for the year ended 31 August 2023 is calculated as follows:

Share price at 31/8/22	264.00p
Share price at 31/8/23	244.50p

Dividend	XD date	NAV on XD date	Factor	Cumulative factor
5.6p	10/11/22	248.00p	1.0226	1.0226
2.0p	26/01/23	277.50p	1.0072	1.0300
2.0p	20/04/23	260.00p	1.0077	1.0379
2.0p	03/08/23	252.50p	1.0079	1.0461

Share price total return, being the closing share price multiplied by the cumulative factor, expressed as a percentage increase in the opening share price	–3.1%

*Alternative Performance Measure.

Discount/premium

The amount by which the share price of an investment trust is lower (discount) or higher (premium) than the NAV per share. The discount or premium is expressed as a percentage of the NAV per share. The discount at the period end amounted to 7.1% (2023: 4.5%), as the closing share price at 269.0p (2023: 244.50p) was lower than the closing NAV of 289.63p (2023: 256.01p).

Gearing*

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

	2024 £'000	2023 £'000
Borrowings used for investment purposes, less cash	31,103	28,459
Net assets	700,315	648,208
Gearing	4.4%	4.4%

Leverage*

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

The leverage ratios and limits at 31 August 2024 are presented on page 75 under Shareholder Information.

Ongoing charges ratio*

Ongoing charges ratio is calculated in accordance with the AIC's recommended methodology and represents the management fee and all other operating expenses excluding finance costs and transaction costs, amounting to £5,937,000 (2023: £5,971,000), expressed as a percentage of the average daily net asset values during the period of £671,034,000 (2023: £678,708,000).

*Alternative Performance Measure.

Web pages and share price information

The Company has dedicated webpages, which may be found at www.schroders.co.uk/orientalincome. The webpages are the Company's primary method of electronic communication with Shareholders. They contain details of the Company's share price and copies of the annual report and accounts and other documents published by the Company as well as information on the directors, terms of reference of committees and other governance arrangements. In addition, the webpages contain links to announcements made by the Company to the market and Schroders' website. There is also a section entitled "How to Invest".

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

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

The Manager publishes monthly and quarterly updates on the Company and other Schroders investment trusts, which may be found under the "Literature" section on the Company's webpages.

Association of Investment Companies

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

Individual Savings Account ("ISA") status

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

Non-Mainstream Pooled Investments status

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

Financial calendar

First interim dividend paid	February
Second interim dividend paid	May
Half year results announced	April/May
Third interim dividend paid	August
Financial year end	31 August
Annual results announced	November
Fourth interim dividend paid	November/December
Annual General Meeting	December

Alternative Investment Fund Managers Directive ("AIFMD") disclosures

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

Leverage

The Company's leverage policy and details of its leverage ratio calculation and exposure limits as required by the AIFMD are published on the Company's webpages and within this report. The Company is also required to periodically publish its actual leverage exposures. As at 31 August 2024 these were:

	% of net asset value	
Leverage exposure	**Maximum**	**Actual**
Gross method	200%	110.9
Commitment method	200%	112.1

Illiquid assets

As at the date of this report, none of the Company's assets are subject to special arrangements arising from their illiquid nature.

Remuneration disclosures

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

Publication of Key Information Document ("KID") by the AIFM

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

How to invest

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

*Alternative Performance Measure.

Warning to shareholders

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

If you receive any unsolicited investment advice:

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

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

The FCA provides a list of unauthorised firms of which it is aware, which can be accessed at https://www.fca.org.uk/consumers/unauthorised-firms-individuals#list.

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

Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque. Applications for an electronic mandate can be made by contacting the Registrar. If your dividend is paid directly into your bank or building society account, you will receive an annual consolidated dividend confirmation, which will be sent to you in September each year at the time the interim dividend is paid. Dividend confirmations are available electronically at investorcentre.co.uk to those Shareholders who have their payments mandated to their bank or building society accounts and who have expressed a preference for electronic communications.

Risk Disclosures

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

Information about the Company

www.schroders.co.uk/orientalincome

Directors

Paul Meader (Chairman)
Alexa Coates
Sam Davis
Isabel Liu
Nick Winsor

Registered office

PO Box 208
Arnold House
St Julian's Avenue
St Peter Port
Guernsey GY1 3NF

Advisers and service providers

Alternative Investment Fund Manager (the "Manager")

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

Investment Manager and Company Secretary

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Telephone: 020 7658 6000
Email: AMCompanySecretary@schroders.com

Lending bank

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

Safekeeping and cashflow monitoring agent

HSBC Bank plc
8 Canada Square
London E14 5HQ

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Registrar

Computershare Investor Services (Guernsey) Limited
1st Floor
Tudor House
Le Bordage
St Peter Port
Guernsey GY1 1DB

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment, should be directed to Computershare Investor Services (Guernsey) Limited at the address set out above.

Corporate broker

Deutsche Numis
45 Gresham Street
London EC2V 7BF

Designated administrator

HSBC Securities Services (Guernsey) Limited
Arnold House
St Julian's Avenue
St Peter Port
Guernsey GY1 3NF

Other Information

Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary.

Company Number

43298
(Registered in Guernsey as a company limited by shares)

Dealing codes

ISIN: GB00B0CRWN59
SEDOL: B0CRWN5
Ticker: SOI

Global Intermediary Identification Number (GIIN)

N3WFUT.99999.SL.826

Legal Entity Identifier (LEI)

5493001U9X6P8SS0PK40

Privacy notice

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

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