

Schroders

# Schroder AsiaPacific Fund plc

## Half Year Report and Accounts

For the six months ended  
31 March 2021



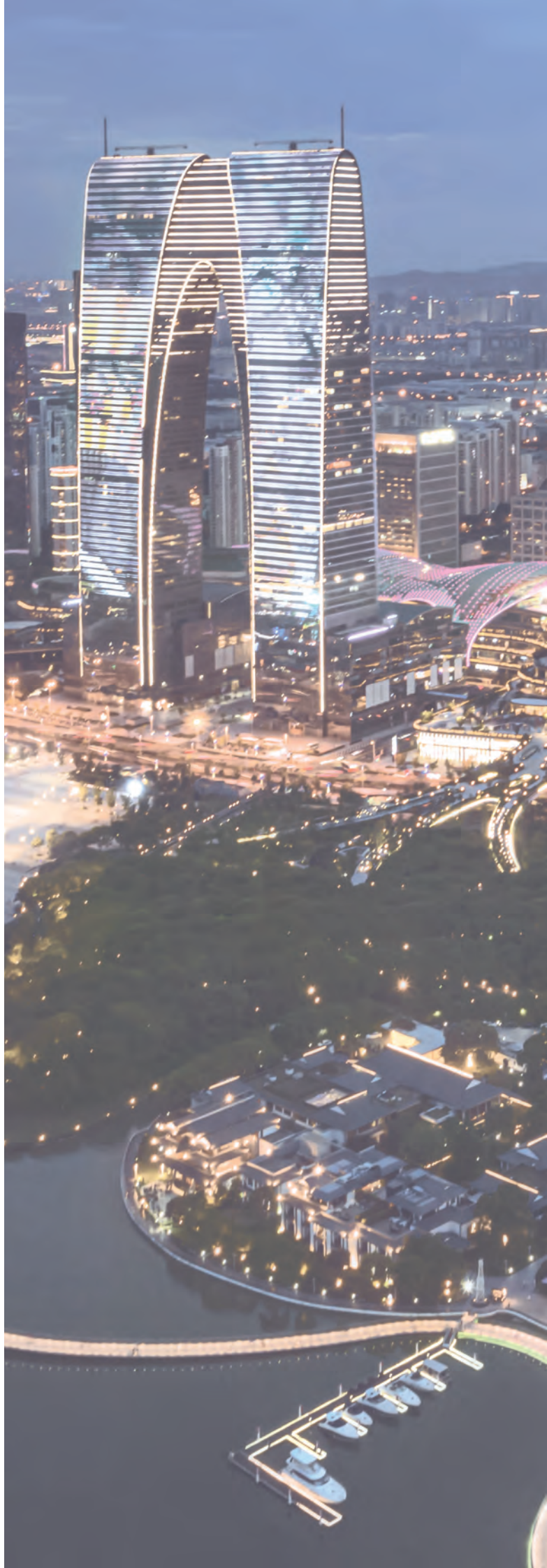
## Investment objective

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

## Investment policy

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

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





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# Financial Highlights

## Total returns for the six months ended 31 March 2021<sup>1</sup>



**Net asset value  
("NAV") per share  
total return<sup>2</sup>**



**Share price  
total return<sup>2</sup>**



**Benchmark  
total return<sup>3</sup>**

<sup>1</sup> Total returns measure the combined effect of any dividends paid, together with the rise or fall in the share price or NAV per share. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares of the Company at the time the shares were quoted ex-dividend (to calculate the share price total return) or in the assets of the Company at its NAV per share (to calculate the NAV per share total return).

<sup>2</sup> Source: Morningstar.

<sup>3</sup> Source: Thomson Reuters. The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted.

## Other financial information

	31 March 2021	30 September 2020	% Change
Shareholders' funds (£'000)	1,117,360	946,146	+18.1
Shares in issue	166,670,716	166,820,716	(0.1)
NAV per share (pence)	670.40	567.16	+18.2
Share price (pence)	630.00	510.00	+23.5
Share price discount to NAV per share (%)	6.0	10.1	
(Net cash)/gearing (%) <sup>1</sup>	(1.9)	0.2	

<sup>1</sup> Borrowings used for investment purposes, less cash, expressed as a percentage of net assets. A negative figure so calculated is shown as a "net cash" position and a positive figure is shown as "gearing".

# Chairman's Statement



## Performance

For my first statement as Chairman, I am pleased to report that the Company produced strong returns for the six month period ended 31 March 2021. During that period, the Company's net asset value ("NAV") and share price produced total returns of

19.7% and 25.1%, respectively, both significantly outperforming the Benchmark's total return of 14.1%.

Further analysis of performance may be found in the Manager's Review.

## Discount management

The Board continues to monitor closely the Company's discount levels and regularly reviews share buyback policy. During the period under review the Company bought back 150,000 shares for cancellation. The discount narrowed from 10.1% at the start of the period to 6.0% on the 31 March 2021 and has remained in a similar range since the end of March. As at 18 May 2021, the discount stood at 7.3%.

## Gearing

The Company was 0.2% geared at the beginning of the period, and as at 31 March 2021 held 1.9% net cash. As at 18 May 2021 the Company held 1.8% net cash. The level of gearing continues to operate within pre-agreed levels so that net gearing does not represent more than 20% of shareholders' funds.

## ESG

The Company's last annual report described the Manager's integration of ESG analysis into the investment process. The Board has continued to discuss this with the Company's new portfolio managers, a key point being what further information the Manager can provide with respect to the portfolio that shareholders might find useful. I look forward to reporting on this further in the annual report.

## Continuation vote

I am pleased to report that shareholders voted overwhelmingly in favour of continuation for a further five year period at the AGM held in February 2021. In line with the Articles of Association of the Company a further continuation vote will be put to shareholders in 2026 and thereafter at five yearly intervals.

## Changes to the Portfolio Manager and the Board

As outlined in the 2020 Annual Report, responsibility for the management of the portfolio passed from Matthew Dobbs to Richard Sennitt and Abbas Barkhordar on 1 April 2021. Matthew, supported by Schroders' analysts in Asia, had managed the portfolio since the Company's inception over 25 years ago, providing shareholders with out-performance of 2.9% per annum performance ahead of the Benchmark net of costs over that period. The Board would like to place on record our thanks to Matthew for his outstanding contribution to the Company and we wish him well for the future.

The Board has no doubt that Richard, who previously worked alongside Matthew for 13 years, assisted by Abbas, will continue to utilise Schroders' infrastructure and resources in Asia to find the best opportunities for the portfolio to generate returns for investors.

Mr Nicholas Smith retired as Chairman of the Board at the Annual General Meeting in February 2021. On behalf of the Board, I would like to also place on record our thanks for his invaluable contribution to the Company, first as Audit Chair and subsequently as Chairman.

## Outlook

Stock markets in Asia rose strongly in the period as the prospect of a successful vaccine rollout buoyed confidence in a recovery in earnings. This positive sentiment was supported by continued liquidity measures and unprecedented levels of fiscal stimulus.

This rise masked large disparities in relative performances among sectors and as a result created significant valuation discrepancies and opportunities.

Whilst volatility can be expected as markets navigate towards a post pandemic world and geo-political tensions persist, Asia remains a region with outstanding prospects. We believe that the bottom up, flexible, stock picking approach practiced by our portfolio managers, with the support of Schroder's extensive resources on the ground, has never been more relevant and will continue to perform for shareholders.

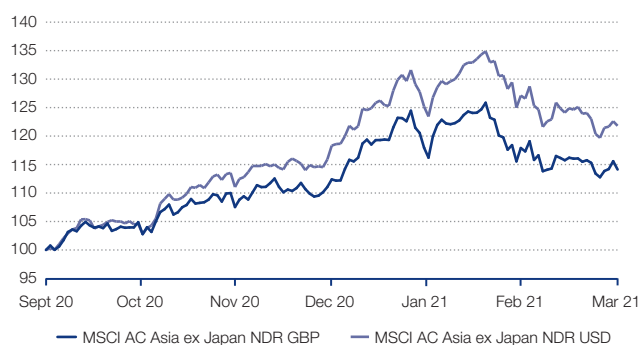
**James Williams**  
Chairman

20 May 2021

# Manager's Review

The net asset value per share of the Company recorded a strong total return of +19.7% over the six months to end March 2021. This compared favourably to the performance of the benchmark, the MSCI All Country Asia ex Japan Index, which was up +14.1% over the same period. (Source: Morningstar, net of fees).

## Benchmark performance – 30 September 2020 to 31 March 2021



Source: Thomson Datastream as at 31 March 2021

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 any overseas investments to rise or fall.

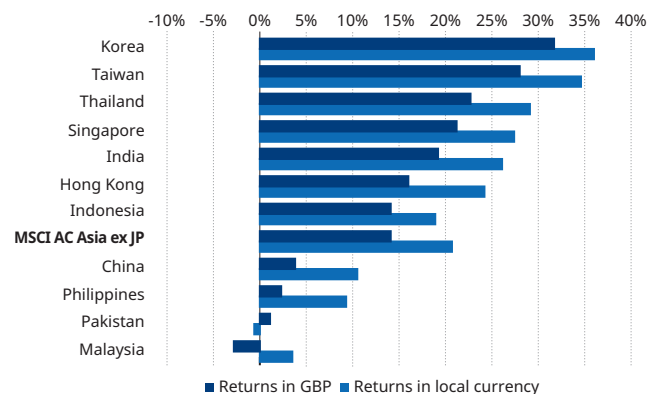
As the chart above illustrates, equity markets made strong progress through the latter part of last year and the start of 2021. The markets were buoyed by improving export data, strong liquidity and progress on the development of a number of vaccines for COVID-19. In addition, a wider range of stocks saw positive earnings revisions. This meant that market returns started to broaden out, having previously been heavily dominated by a relatively narrow set of growth stocks.

North Asia continued to manage the COVID crisis well, whilst many economies across Europe and the Americas experienced second waves. In contrast, economies such as China started to normalise. Domestic growth was recovering, in addition to the strong export recovery. Although the run-up to the US election saw increased tensions between China and the US over a wide range of issues, the new US administration added fuel to the global recovery with hopes of increased fiscal stimulus. This in turn saw long bond yields start to move up which periodically started to unsettle markets.

Sector returns across the region reflected the rotation in the markets that has been seen globally. This was particularly marked from November, following the vaccine news and hopes for more fiscal stimulus from the Biden administration, which raised expectations for a stronger global recovery. Defensive bond-like names in sectors such as utilities, consumer staples and health care lagged as growth expectations picked up and rising long bond yields impacted valuations. The areas seen as the

bigger beneficiaries of recovering global growth and higher interest rates, including information technology, materials and financials, outperformed.

## Country returns – 30 September 2020 to 31 March 2021



Source: Factset.

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The spread of returns across the regional markets continued to be high, with technology-heavy Korea and Taiwan the best performing indices across the region. These benefited from upward earnings revisions, driven by ongoing strong export demand for semiconductors and technology products. The Chinese market started the period robustly, as growth names did well, then faded. This flowed from e-commerce platform stocks coming under increased regulatory scrutiny into their market positioning, as well as investors regionally starting to rotate out of some of the more thematic growth names that had performed strongly. With North Asian markets having done well through the crisis, some of the smaller ASEAN markets started to perform better given their higher exposure to more value-orientated sectors and relatively attractive valuations (value typically thought of as those companies that appear to trade at a lower price relative to its fundamentals such as dividends, earnings or sales).

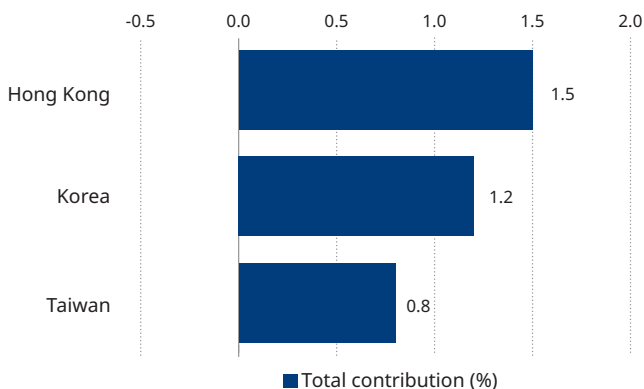
In India, the market started to recover from a period of underperformance as concerns on the impact of the virus on the economy, which had already been slowing going into the crisis, started to ease and activity started to recover. This combined with the announcement of structural reforms in areas such as the labour market saw the market outperform over the period.

# Manager's Review

## Performance and portfolio activity

The Company's positive total return of 19.7% over the period compared favourably with that of the Benchmark which rose 14.1% over the period. Over the period the biggest positive contribution came from our stock selection in the Hong Kong market, where our exposure to some of the beneficiaries of the recovery in Chinese consumer demand as well as those expected to gain from the easing of pandemic related restrictions, including the Macau gaming names, outperformed. Otherwise, our stock selection in Korea and Taiwan was strong, driven by exposure to the technology sector, including semiconductor and EV battery manufacturers. Stock selection in Singapore and India also added value, as did our exposure to Vietnam and the zero weight in Malaysia, which lagged. Although Chinese stock selection lagged, it was more than offset by the underweight to the market.

## Top 3 contributors at a country level, 6 months to 31 March 2021 (% points)



Source: Factset PA3. Top contributors are shown excluding gearing.

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Transactions over the period have tended to take advantage of the increased valuation spread that we saw through last year. On a country level, this involved reducing our exposure to some of the North Asian markets including China and Korea that had done well, and now looked more fully valued, and switching into markets that had lagged in part due to their lack of exposure to technology names and in part the difficulty in managing the COVID crisis. This included India as well as some of the ASEAN markets such as Singapore and Thailand.

## Outlook and policy

Despite the threat to human life from COVID-19 and its consequent impact on the global economy, stock markets have risen strongly over the last year driven by a cocktail of liquidity, fiscal stimulus, hopes of a successful vaccine rollout and the prospect of a recovery in earnings. Aggregate valuations are now well above long-term averages and increasingly starting to price in a strong recovery in earnings. There are some areas of the market that look 'frothy', such as in selective EV, biotech and tech names. However, the wide divergence of valuations and prospect for the broadening of the earnings recovery means that other areas of the market have lagged and are still trading on relatively attractive valuations, despite the recent rotation in the market which has seen some of the valuation disparities start to narrow.

Sources of volatility are easy to identify, from the new US administration's fiscal and foreign policy, the ongoing relationship between themselves and China to the potential for a further COVID-induced slowdown. Recent increases in infection rates in countries such as India, combined with the relatively low vaccination rates across many parts of Asia compared with the likes of the US and the UK, mean that a full opening up of economies is still some way away.

The recent rise in US long bond yields has unsettled investors. This rise has a potential impact not only on valuations, especially of more highly rated growth stocks, but also in it potentially bringing forward tightening of monetary policy that has been so accommodative for markets. Any tapering of monetary policy clearly remains a risk and we have started to see some price rises in commodities, and goods inflation due to shortages, as economies open up. However, services demand is likely to lag resulting in subdued wage pressure in most developed markets. Whilst comparisons have been drawn with the 'taper tantrum' period of 2013 most Asian countries are in a better position from a current account perspective than then, and short-term external debt in most cases still remains well covered by FX reserves.

North Asian economies and specifically China have managed the COVID crisis well. Strong demand for exports and recovering domestic demand has seen China moving onto a tightening path. Furthermore, as developed economies shift spending away from goods to services as they slowly open up, we are likely nearing the peak in rates of demand growth for Asian exports. Although we still expect normalisation of economies to act as a support for earnings growth in Asia, nascent cost pressures in some areas such as commodities may put some pressure on margins. This could temper earnings revisions in some industries. Given this, we think that many of the obvious recovery trades are now starting to factor the recovery into their valuations and the differentiation between 'growth' and 'value' given relative

# Manager's Review

price moves, will be less of a factor. Rather, stock selection will likely be key ('growth' typically thought of as those companies expected to grow sales and earnings at a faster rate than the market average).

## Country Weights – Company vs Benchmark

Market	NAV weight (%)		Benchmark weight (%) 31 Mar 2021
	31 Mar 2021	30 Sep 2020	
China	23.0	30.1	42.6
Korea	14.8	14.8	15.0
Taiwan	14.0	12.9	15.6
India	13.4	8.1	10.9
Hong Kong	13.3	15.9	7.7
Singapore	5.7	5.1	2.5
Australia	2.9	3.6	-
Indonesia	1.2	1.6	1.4
Thailand	1.1	-	2.1
Philippines	0.1	0.1	0.7
Malaysia	-	-	1.5
Other equities <sup>1</sup>	8.6	8.0	-
Gearing/cash and other	1.9	(0.2)	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Schroders, MSCI, 31 March 2021.

<sup>1</sup> Vietnam, Netherlands, Germany, UK, Japan and a unit trust.

**Schroder Investment Management Limited**

20 May 2021



# Half Year Report

## Principal risks and uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: strategy and competitiveness risk; investment management risk; financial and currency risk; accounting, legal and regulatory risk; custodian and depositary risk; service provider risk; and cyber. A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 15 and 16 of the Company's published annual report and accounts for the year ended 30 September 2020.

The Board discussed the ongoing impact of the pandemic and noted that although COVID-19 had affected the Company's operations, as described in the 2020 annual report, the Company and its service providers, including the Manager, were able to adapt to the circumstances and so continue to operate on a business as usual basis, despite ongoing restrictions.

These risks and uncertainties have not materially changed during the six months ended 31 March 2021.

## Going concern

Having assessed the principal risks and uncertainties, and the other matters discussed in connection with the viability statement as set out on page 17 of the published annual report and accounts for the year ended 30 September 2020, as well as considering the additional risks related to COVID-19 and, where appropriate, action taken by the Company's service providers in relation to those risks, detailed above, the Directors consider it appropriate to adopt the going concern basis in preparing the accounts.

## Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 31 March 2021.

## Directors' responsibility statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in October 2019, and that this half year report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure Guidance and Transparency Rules.

# Investment Portfolio as at 31 March 2021

Investments are classified by the investment manager in the country of their main business operations. Stocks in bold are the 20 largest investments, which by value account for 68.5% (30 September 2020: 70.1% and 31 March 2020: 70.0%) of total investments.

	£'000	%
<b>Mainland China</b>		
<b>Tencent Holdings<sup>1</sup></b>	<b>72,787</b>	<b>6.6</b>
<b>Alibaba<sup>1</sup></b>	<b>60,184</b>	<b>5.5</b>
<b>Midea (including A shares and LEPO<sup>2</sup>)</b>	<b>32,957</b>	<b>3.0</b>
<b>Ping An Insurance H<sup>1</sup></b>	<b>21,640</b>	<b>2.0</b>
JD.com <sup>1</sup>	17,476	1.6
Shenzhou International <sup>1</sup>	10,966	1.0
Yum China <sup>2</sup>	10,360	0.9
Sands China <sup>1</sup>	9,707	0.9
51 Jobs (ADR) <sup>2</sup>	8,383	0.8
Hongfa Technology A	7,888	0.7
New Oriental Education and Technology (ADR) <sup>2</sup>	5,642	0.5
<b>Total Mainland China</b>	<b>257,990</b>	<b>23.5</b>
<b>South Korea</b>		
<b>Samsung Electronics (including preference shares)</b>	<b>114,865</b>	<b>10.4</b>
<b>Naver</b>	<b>25,461</b>	<b>2.3</b>
Samsung SDI	19,070	1.7
NHN KCP	5,963	0.5
Amorepacific Group (preference shares)	1,705	0.2
<b>Total South Korea</b>	<b>167,064</b>	<b>15.1</b>
<b>Taiwan</b>		
<b>Taiwan Semiconductor Manufacturing</b>	<b>95,589</b>	<b>8.7</b>
<b>Hon Hai Precision Industries</b>	<b>24,559</b>	<b>2.2</b>
Delta Electronics	14,624	1.3
Mediatek	13,759	1.2
Largan Precision	10,438	0.9
<b>Total Taiwan</b>	<b>158,969</b>	<b>14.3</b>
<b>India</b>		
<b>HDFC Bank</b>	<b>36,040</b>	<b>3.3</b>
<b>ICICI Bank (including ADR<sup>2</sup>)</b>	<b>26,500</b>	<b>2.4</b>
<b>Maruti Suzuki</b>	<b>25,631</b>	<b>2.3</b>
<b>Reliance Industries</b>	<b>24,097</b>	<b>2.2</b>
Apollo Hospitals Enterprise	14,827	1.3
Container Corporation	9,794	0.9
Gujarat Pipavav Port	7,032	0.6
Alembic Pharmaceuticals	3,907	0.4
Multi Commodity Exchange of India	2,910	0.3
<b>Total India</b>	<b>150,738</b>	<b>13.7</b>

	£'000	%
<b>Hong Kong (SAR)</b>		
<b>AIA</b>	<b>28,892</b>	<b>2.6</b>
<b>Galaxy Entertainment</b>	<b>28,244</b>	<b>2.6</b>
<b>Kerry Properties</b>	<b>26,140</b>	<b>2.4</b>
<b>BOC Hong Kong</b>	<b>20,672</b>	<b>1.9</b>
Techtronic Industries	14,874	1.3
Swire Properties	9,083	0.8
ASM Pacific Technology	7,425	0.6
Fortune Real Estate Investment Trust	7,186	0.7
Johnson Electric	6,838	0.6
Chow Sang Sang	896	0.1
<b>Total Hong Kong (SAR)</b>	<b>150,250</b>	<b>13.6</b>
<b>Singapore</b>		
<b>Sea ADR<sup>2</sup></b>	<b>21,710</b>	<b>1.9</b>
Oversea-Chinese Banking	15,438	1.4
Singapore Exchange	10,385	0.9
United Overseas Bank	10,180	0.9
Jardine Cycle & Carriage	7,977	0.7
<b>Total Singapore</b>	<b>65,690</b>	<b>5.8</b>
<b>Australia</b>		
<b>BHP Billiton<sup>3</sup></b>	<b>24,951</b>	<b>2.3</b>
Orica	8,407	0.7
<b>Total Australia</b>	<b>33,358</b>	<b>3.0</b>
<b>Netherlands</b>		
<b>ASML</b>	<b>22,134</b>	<b>2.0</b>
<b>Total Netherlands</b>	<b>22,134</b>	<b>2.0</b>
<b>Vietnam</b>		
<b>Dragon Capital Vietnam Enterprise Investments<sup>3</sup></b>	<b>21,200</b>	<b>1.9</b>
<b>Total Vietnam</b>	<b>21,200</b>	<b>1.9</b>
<b>United Kingdom<sup>4</sup></b>		
Schroder Small Cap Discovery Fund Z Acc	18,293	1.7
<b>Total United Kingdom</b>	<b>18,293</b>	<b>1.7</b>
<b>Indonesia</b>		
Bank Mandiri	13,108	1.2
<b>Total Indonesia</b>	<b>13,108</b>	<b>1.2</b>
<b>Japan</b>		
Nexon	11,750	1.1
<b>Total Japan</b>	<b>11,750</b>	<b>1.1</b>

# Investment Portfolio as at 31 March 2021

	£'000	%
<b>Thailand</b>		
Kasikornbank NVDR	11,416	1.1
<b>Total Thailand</b>	<b>11,416</b>	<b>1.1</b>
<b>Italy</b>		
Prada <sup>1</sup>	11,141	1.0
<b>Total Italy</b>	<b>11,141</b>	<b>1.0</b>
<b>Germany</b>		
Adidas	9,528	0.9
<b>Total Germany</b>	<b>9,528</b>	<b>0.9</b>
<b>Philippines</b>		
Holcim Philippines	807	0.1
<b>Total Philippines</b>	<b>807</b>	<b>0.1</b>
<b>Total Investments<sup>5</sup></b>	<b>1,103,436</b>	<b>100.0</b>

<sup>1</sup> Listed in Hong Kong.

<sup>2</sup> Listed in the USA.

<sup>3</sup> Listed in the United Kingdom.

<sup>4</sup> Predominantly invested in Asia.

<sup>5</sup> Total investments comprises the following:

	£'000	%
Equities, including ADRs, LEPOs and NVDRs	1,041,176	94.3
Collective investment funds	39,493	3.6
Preference shares	22,767	2.1
<b>Total investments</b>	<b>1,103,436</b>	<b>100.0</b>

The following abbreviations have been used above:

ADR: American Depositary Receipts

LEPO: Low Exercise Price Options

NVDR: Non Voting Depositary Receipts

# Income Statement

	(Unaudited) For the six months ended 31 March 2021			(Unaudited) For the six months ended 31 March 2020			(Audited) For the year ended 30 September 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	-	188,185	188,185	-	(87,735)	(87,735)	-	135,439	135,439
Gains on derivative contracts	-	-	-	-	347	347	-	766	766
Net foreign currency losses	-	(618)	(618)	-	(1)	(1)	-	(1,085)	(1,085)
Income from investments	6,775	-	6,775	5,406	-	5,406	16,938	-	16,938
Other interest receivable and similar income	1	-	1	17	-	17	16	-	16
<b>Gross return/(loss)</b>	<b>6,776</b>	<b>187,567</b>	<b>194,343</b>	<b>5,423</b>	<b>(87,389)</b>	<b>(81,966)</b>	<b>16,954</b>	<b>135,120</b>	<b>152,074</b>
Investment management fee	(1,042)	(3,127)	(4,169)	(757)	(2,272)	(3,029)	(1,629)	(4,885)	(6,514)
Administrative expenses	(644)	(1)	(645)	(549)	-	(549)	(1,102)	(10)	(1,112)
<b>Net return/(loss) before finance costs and taxation</b>	<b>5,090</b>	<b>184,439</b>	<b>189,529</b>	<b>4,117</b>	<b>(89,661)</b>	<b>(85,544)</b>	<b>14,223</b>	<b>130,225</b>	<b>144,448</b>
Finance costs	(11)	(33)	(44)	(6)	(19)	(25)	(22)	(65)	(87)
<b>Net return/(loss) before taxation</b>	<b>5,079</b>	<b>184,406</b>	<b>189,485</b>	<b>4,111</b>	<b>(89,680)</b>	<b>(85,569)</b>	<b>14,201</b>	<b>130,160</b>	<b>144,361</b>
Taxation (note 3)	(772)	(3,200)	(3,972)	(365)	307	(58)	(948)	13	(935)
<b>Net return/(loss) after taxation</b>	<b>4,307</b>	<b>181,206</b>	<b>185,513</b>	<b>3,746</b>	<b>(89,373)</b>	<b>(85,627)</b>	<b>13,253</b>	<b>130,173</b>	<b>143,426</b>
<b>Return/(loss) per share (note 4)</b>	<b>2.58p</b>	<b>108.63p</b>	<b>111.21p</b>	<b>2.24p</b>	<b>(53.37)p</b>	<b>(51.13)p</b>	<b>7.92p</b>	<b>77.75p</b>	<b>85.67</b>

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

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

# Statement of Changes in Equity

## For the six months ended 31 March 2021 (unaudited)

	Called-up share capital £'000	Share redemption premium £'000	Capital reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2020	16,682	100,956	3,462	8,704	27,946	773,466	14,930	946,146
Repurchase and cancellation of the Company's own shares	(15)	-	15	-	(953)	-	-	(953)
Net return after taxation	-	-	-	-	-	181,206	4,307	185,513
Dividend paid in the period (note 5)	-	-	-	-	-	-	(13,346)	(13,346)
<b>At 31 March 2021</b>	<b>16,667</b>	<b>100,956</b>	<b>3,477</b>	<b>8,704</b>	<b>26,993</b>	<b>954,672</b>	<b>5,891</b>	<b>1,117,360</b>

## For the six months ended 31 March 2020 (unaudited)

	Called-up share capital £'000	Share redemption premium £'000	Capital reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2019	16,747	100,956	3,397	8,704	31,163	643,293	17,922	822,182
Net (loss)/return after taxation	-	-	-	-	-	(89,373)	3,746	(85,627)
Dividend paid in the period (note 5)	-	-	-	-	-	-	(16,245)	(16,245)
<b>At 31 March 2020</b>	<b>16,747</b>	<b>100,956</b>	<b>3,397</b>	<b>8,704</b>	<b>31,163</b>	<b>553,920</b>	<b>5,423</b>	<b>720,310</b>

## For the six months ended 30 September 2020 (audited)

	Called-up share capital £'000	Share redemption premium £'000	Capital reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2019	16,747	100,956	3,397	8,704	31,163	643,293	17,922	822,182
Repurchase and cancellation of the Company's own shares	(65)	-	65	-	(3,217)	-	-	(3,217)
Net return after taxation	-	-	-	-	-	130,173	13,253	143,426
Dividend paid in the year (note 5)	-	-	-	-	-	-	(16,245)	(16,245)
<b>At 30 September 2020</b>	<b>16,682</b>	<b>100,956</b>	<b>3,462</b>	<b>8,704</b>	<b>27,946</b>	<b>773,466</b>	<b>14,930</b>	<b>946,146</b>

# Statement of Financial Position

	(Unaudited) 31 March 2021 £'000	(Unaudited) 31 March 2020 £'000	(Audited) 30 September 2020 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	1,103,436	712,168	943,798
<b>Current assets</b>			
Debtors	4,788	8,441	6,230
Cash at bank and in hand	32,427	13,089	10,009
Derivative financial instruments held at fair value through profit or loss	-	2,586	-
	<b>37,215</b>	24,116	16,239
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	(23,291)	(15,974)	(13,891)
<b>Net current assets</b>	<b>13,924</b>	8,142	2,348
<b>Total assets less current liabilities</b>	<b>1,117,360</b>	720,310	946,146
<b>Net assets</b>	<b>1,117,360</b>	720,310	946,146
<b>Capital and reserves</b>			
Called-up share capital (note 6)	16,667	16,747	16,682
Share premium	100,956	100,956	100,956
Capital redemption reserve	3,477	3,397	3,462
Warrant exercise reserve	8,704	8,704	8,704
Share purchase reserve	26,993	31,163	27,946
Capital reserves	954,672	553,920	773,466
Revenue reserve	5,891	5,423	14,930
<b>Total equity shareholders' funds</b>	<b>1,117,360</b>	720,310	946,146
<b>Net asset value per share (note 7)</b>	<b>670.40p</b>	430.11p	567.16p

Registered in England and Wales as a public company limited by shares

Company registration number: 03104981

# Notes to the Accounts

## 1. Financial Statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the year ended 30 September 2020 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

## 2. Accounting policies

### Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in October 2019.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 September 2020.

## 3. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. The taxation charge comprises irrecoverable overseas withholding tax on dividends receivable, and overseas capital gains tax.

## 4. Return/(loss) per share

	(Unaudited) Six months ended 31 March 2021 £'000	(Unaudited) Six months ended 31 March 2020 £'000	(Audited) Year ended 30 September 2020 £'000
Revenue return	4,307	3,746	13,253
Capital return/(loss)	181,206	(89,373)	130,173
<b>Total return/(loss)</b>	<b>185,513</b>	<b>(85,627)</b>	<b>143,426</b>
Weighted average number of shares in issue during the period	166,808,353	167,470,716	167,417,847
Revenue return per share	2.58p	2.24p	7.92p
Capital return/(loss) per share	108.63p	(53.37)p	77.75p
<b>Total return/(loss) per share</b>	<b>111.21p</b>	<b>(51.13)p</b>	<b>85.67p</b>

## 5. Dividends paid

	(Unaudited) Six months ended 31 March 2021 £'000	(Unaudited) Six months ended 31 March 2020 £'000	(Audited) Year ended 30 September 2020 £'000
2020 final dividend paid of 8.00p (2019: 9.70p)	13,346	16,245	16,245

No interim dividend has been declared in respect of the year ending 30 September 2021 (2020:nil).

# Notes to the Accounts

## 6. Called-up share capital

	(Unaudited) Six months ended 31 March 2021	(Unaudited) Six months ended 31 March 2020	(Audited) Year ended 30 September 2020
<b>Ordinary shares of 10p each, allotted, called-up and fully paid:</b>			
Opening balance of shares in issue	166,820,716	167,470,716	167,470,716
Shares repurchased and cancelled	(150,000)	-	(650,000)
<b>Closing balance of shares in issue</b>	<b>166,670,716</b>	<b>167,470,716</b>	<b>166,820,716</b>

## 7. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue at 31 March 2021 of 166,670,716 (31 March 2020: 167,470,716 and 30 September 2020: 166,820,716).

## 8. Financial instruments measured at fair value

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

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

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

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

Level 3 – valued using inputs that are unobservable.

	31 March 2021 (unaudited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities and equity linked securities	1,103,436	-	-	1,103,436
<b>Total</b>	<b>1,103,436</b>	<b>-</b>	<b>-</b>	<b>1,103,436</b>

	31 March 2020 (unaudited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities and equity linked securities	712,168	-	-	712,168
Derivative financial instruments – forward currency contracts	-	2,586	-	2,586
<b>Total</b>	<b>712,168</b>	<b>2,586</b>	<b>-</b>	<b>714,754</b>

	30 September 2020 (audited)			Total £'000
	Level 1 £'000	Level 2 £'000	Level 3 £'000	
Investments in equities and equity linked securities	943,798	-	-	943,798
<b>Total</b>	<b>943,798</b>	<b>-</b>	<b>-</b>	<b>943,798</b>



# Notes to the Accounts

## **9. Events after the interim period that have not been reflected in the financial statements for the interim period**

The directors have evaluated the period since the interim date and have not noted any significant events which have not been reflected in the financial statements.

## Directors

James Williams (Chairman)  
Keith Craig  
Vivien Gould  
Rosemary Morgan  
Martin Porter

## Advisers

### Alternative Investment Fund Manager ("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 3847

### Registered Office

1 London Wall Place  
London EC2Y 5AU

### Depositary and Custodian

HSBC Bank plc  
8 Canada Square  
London E14 5HQ

### Lending Bank

Sumitomo Banking Corporation Europe Limited  
99 Queen Victoria Street  
London EC4V 4EH

### Corporate Broker

Numis Securities Limited  
The London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT

## Registrar

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA  
Shareholder Helpline  
0800 032 0641\*

Website: [www.shareview.co.uk](http://www.shareview.co.uk)

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

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

## Independent Auditor

Ernst & Young LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

Certain pre-sale, regular and periodic disclosures required by the AIFM Directive may be found on its webpages.

The Company's leverage policy and details of limits on leverage required under the AIFM Directive are published on its webpages.

## Dealing codes

ISIN Number: GB0007918872  
SEDOL Number: 0791887  
Ticker: SDP

## Global Intermediary Identification Number (GIIN)

SWLQRM.99999.SL.826

## Legal Entity Identifier (LEI)

549300A71N7LE35KWU14

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

