Schroder AsiaPacific Fund plc

Annual Report and Accounts

For the year ended
30 September 2020

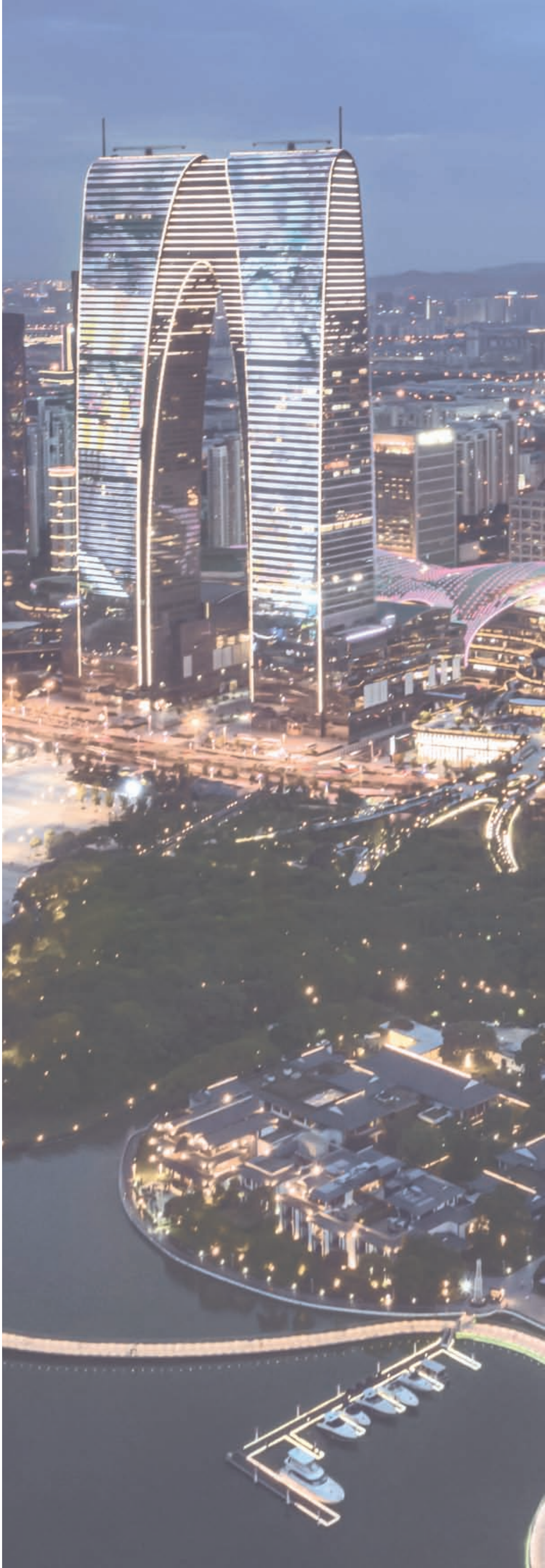
Investment objective

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 in sterling terms (Benchmark Index) over the longer term.

Investment policy

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

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



Contents

Key Performance Indicators and Long-Term Performance Record

Some of the financial measures below 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 page 59 together with supporting calculations where appropriate.

Total returns for the year ended 30 September 2020

+17.7%
2019: +1.8%
Net asset value ("NAV") per share total return*

+19.7%
2019: +3.6%
Share price total return*

+12.3%
2019: +2.2%
Benchmark total return[1]

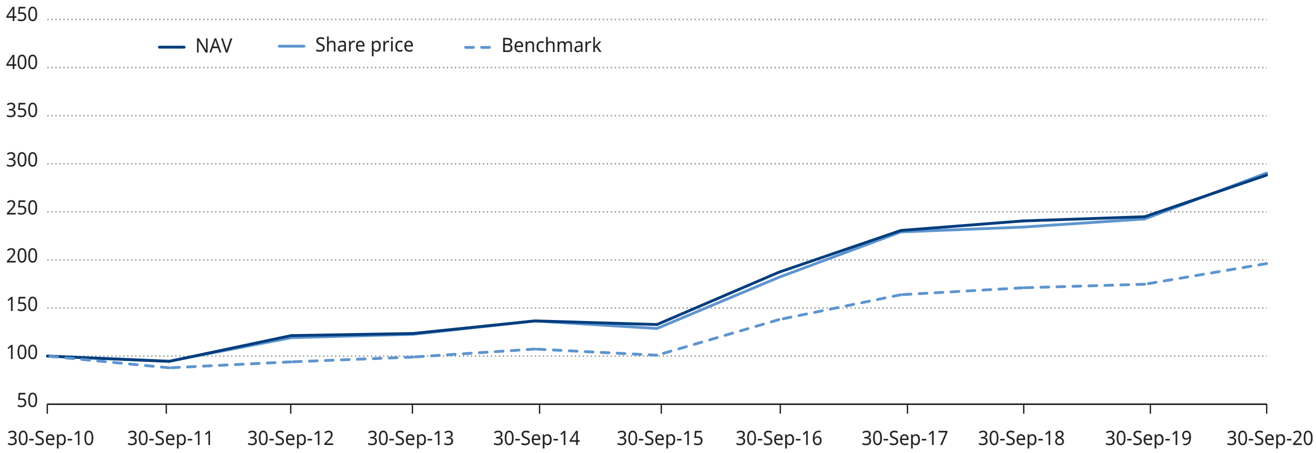
[1]Source: Thomson Reuters.

Other financial information

	30 September 2020	30 September 2019	% Change
Shareholders' funds (£'000)	**946,146**	822,182	+15.1
Shares in issue	**166,820,716**	167,470,716	–0.4
NAV per share (pence)	**567.16**	490.94	+15.5
Share price (pence)	**510.00**	435.00	+17.2
Share price discount to NAV per share* (%)	**10.1**	11.4	
Gearing/(net cash)* (%)	**0.2**	(2.4)	

	Year ended 30 September 2020	Year ended 30 September 2019	% Change
Net revenue return after taxation (£'000)	**13,253**	16,590	–20.1
Revenue return per share (pence)	**7.92**	9.90	–20.0
Dividends per share (pence)	**8.00**	9.70	–17.5
Ongoing Charges* (%)	**0.90**	0.93	

NAV per share, share price and Benchmark total returns for the 10 years ended 30 September 2020



Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2010.

10 Year Financial Record

Definitions of terms and performance measures are provided on page 59.

At 30 September	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Shareholders' funds (£'000)	307,280	395,340	455,024	495,527	477,870	658,321	799,942	825,042	822,182	946,146
NAV per share, diluted where applicable (pence)	210.16	266.64	268.13	292.82	282.39	392.33	477.38	492.35	490.94	567.16
Share price (pence)	190.75	236.75	240.70	264.00	246.50	343.00	426.00	430.00	435.00	510.00
Share price discount to NAV per share* (%)	9.2	11.2	10.2	9.8	12.7	12.6	10.8	12.7	11.4	10.1
Gearing/(net cash)* (%)	4.4	5.7	(3.3)	(0.6)	2.3	0.4	4.4	2.6	(2.4)	0.2

For the year ended 30 September	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net revenue return after taxation (£'000)[1]	4,033	4,916	5,000	4,749	7,151	8,040	9,537	16,885	16,590	13,253
Revenue return per share (pence)[1]	2.59	3.37	3.08	2.80	4.23	4.77	5.69	10.08	9.90	7.92
Dividends per share (pence)[1]	2.75	3.35	3.35	2.75	4.20	4.75	5.60	9.50	9.70	8.00
Ongoing Charges* (%)	1.15	1.18	1.10	1.08	1.03	1.10	0.99	0.94	0.93	0.90

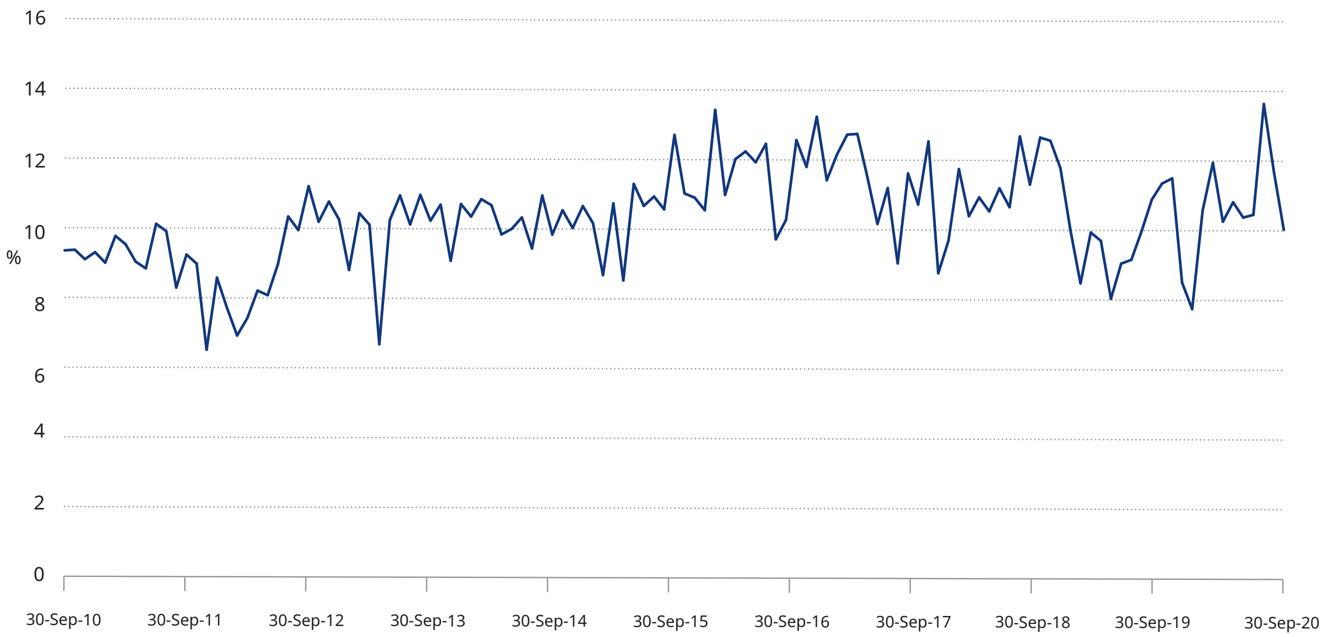
Performance[2]	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NAV total return (diluted where applicable)*	100.0	94.5	121.3	123.5	136.6	132.8	187.2	230.6	240.5	244.9	288.2
Share price total return*	100.0	94.7	119.1	122.7	136.5	128.7	181.9	229.1	234.1	242.6	290.3
Benchmark	100.0	87.8	94.0	99.0	107.3	100.9	137.9	163.8	171.0	174.7	196.2

[1]With effect from 1 October 2017, the Company adopted an allocation policy whereby 75% of the management fee and finance costs are allocated to the capital account.

[2]Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2010.

*Alternative performance measures.

10 year share price discount to NAV per share



Source: Morningstar/Thomson Reuters.

Chairman's Statement

Performance

In my final year as Chairman, I am pleased to report that the year to 30 September 2020 has delivered favourable shareholder returns. The Company's NAV produced a positive total return of 17.7%, outperforming the Benchmark's total return of 12.3% thereby maintaining the Company's record of long-term outperformance against the Benchmark. The share price also produced a positive total return of 19.7%.

A more detailed comment on performance and investment policy may be found in the Manager's Review.

Revenue and dividend

The pandemic led some companies in the portfolio to cut their dividends, leading to a decrease in the Company's net revenue after taxation of 20.1%, from 9.90 pence per share to 7.92 pence per share.

The directors are proposing to distribute all the revenue as dividend, and, after a small transfer from revenue reserves, are recommending the payment of a final dividend of 8.00 pence per share for the year ended 30 September 2020. This represents a decrease of 17.5% over the 9.70 pence paid in respect of the previous financial year.

This dividend will be paid on 8 February 2021 to shareholders on the register on 29 December 2020 subject to approval by shareholders at the Annual General Meeting ("AGM") on 3 February 2021.

Gearing

During the year, the Company maintained its revolving credit facility. At the start of the year the Company was ungeared, with 2.4% net cash and ended the year slightly geared at 0.2%.

Discount management

The Board continues to follow a flexible strategy towards discount management. The average level of discount during the year under review was 10.7% in line with the Board's long-term target. We believe that it is not necessarily in the best interests of shareholders as a whole to adopt a rigid discount control mechanism that seeks to target a defined maximum discount level regardless of market conditions. Our policy takes account of the level of discount at which the Company's peer group trades, prevailing market conditions and activity within our sector.

A total of 650,000 shares were bought back for cancellation during the year under review. Since the year end, the discount has substantially narrowed, and, as at 9 December 2020, stood at 5.82%.

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

Portfolio manager succession

On 24 August 2020, the Company announced that Matthew Dobbs will retire from fund management in 2021. In accordance with a succession plan agreed with the Board, he will hand over responsibility of the Company's portfolio to Richard Sennitt as manager and Abbas Barkhordar as assistant manager.

Richard and Abbas will be assuming formal responsibility for the management of the Company's portfolio with effect from 31 March 2021.

The key to these appointments is the continuity of approach they will bring to the investment strategy with Richard having worked with Matthew on his Asian funds for the last 13 years. Abbas has worked at Schroders for 13 years, most recently on Schroders' Frontier Markets Fund.

Robin Parbrook, who has extensive Asian investment management experience, will assume investment oversight from 31 March 2021 and take the investment reporting line of Richard and Abbas.

In managing the portfolio, Richard and Abbas will continue to draw upon Schroders' deep resources in Asia and the research team based across the region will continue to play an integral role. Research remains key to Schroders' investment process, and the portfolio managers will continue to work closely with a strong network of regional analysts and their fund management colleagues in 8 offices around the region.

Board succession

I am pleased to report that, following a selection process led by the Senior Independent Director, Rosemary Morgan, the Board has accepted the Nomination Committee's recommendation that James Williams be appointed as Chairman of the Company following my retirement at the AGM. James will serve a maximum of five years and will bring continuity and experience to the position having served on the Board since 2014 and Chairman of the Management Engagement Committee since 2018.

Management fee

As part of its appraisal of the Manager, the Board has reviewed the management fees and agreed that with effect from 1 April 2021, the management fee will decrease to 0.75% per annum on the first £600 million of net assets and 0.70% per annum on net assets in excess of £600 million. The notice period shall be set at six months. The full details of the new arrangements are set out in the Directors' Report. The

Chairman's Statement

effect of the change is expected to generate a saving of around £400,000 per annum.

Continuation vote

The articles of association contain provisions which require the Board to put to shareholders a resolution at the AGM that the Company continue as an investment trust for a further five years.

Over the five year period ended 30 September 2020, the Company's NAV produced a total return of 16.8% per annum, outperforming the Benchmark's total return of 14.2% per annum, while our share price produced a total return of 17.7% per annum. In that period, the Company also joined the FTSE 250, and is the largest investment trust in its sector.

The Board believes that the Manager remains well qualified and suitable to manage the portfolio and to assist the Company in meeting its investment objective. The Board also believes that the Company remains well placed as an investment vehicle within its peer group, and that its long-term investment objectives remain appropriate and the structure beneficial to shareholders.

The Board therefore unanimously recommends that the Company continue as an investment trust, and the directors intend to vote their shares accordingly.

Environmental, Social and Governance issues ("ESG")

The issue of how investment managers deal with ESG issues is increasingly important to shareholders. During the year, the Board received presentations on the Managers' integration of ESG analysis into the investment process. The Board will continue to review ESG issues on a regular basis during portfolio reviews with the Manager. The Manager is also one of the Company's key outsourced service providers and the Board is pleased to note Schroders' commitment to being carbon neutral in 2020.

Outlook

This is the 25th anniversary of the launch of your company. The initial float was £140 million at £1.00 per share. Today, net assets exceed £1 billion and as at 9 December 2020 the share price was £6.09 per share. Since launch, the Company's NAV total return has outperformed the Company's Benchmark by 2.8% per annum (source: Morningstar).

The keys to this impressive performance have been a long term commitment to Asia and Schroders. The portfolio manager, Matthew Dobbs, his management team, the research resources in Asia and the support services in London have been first class. Matthew retires in 2021 and the Board wishes him a very happy retirement and looks forward to working with Richard and his team as above.

After a very hard year for financial markets, the Company is in good shape and is ready to take advantage of the opportunities in the region over the coming years. You, as shareholders, are participating in a region with outstanding prospects and with a team that is second to none.

You can look forward to 2021 with some investment optimism. The latest vaccine news is very encouraging but rollout will take time. 2022 and 2023 may be the years when life in Asia returns to normalcy.

I retire as your Chairman at the AGM. It has been a pleasure and privilege to serve and I would like to thank my colleagues, past and present, for their commitment, and to the team for their continuous support. I wish James all the best as your next Chairman, and look forward with confidence to the next 25 years for the Company.

AGM

The AGM will be held on Wednesday, 3 February 2021 at 12.00 noon. Owing to the continuing restrictions relating to meetings due to the COVID-19 pandemic, shareholders are asked to cast their votes by proxy. To ensure the safety and security of our shareholders, service providers, officers and guests, shareholders are asked to comply with Government requirements and guidelines relating to travelling and meetings. To mitigate the impact of shareholders not being able to meet the Board in person this year, shareholders are encouraged to engage during the webinar, or by post or email as detailed below.

The Manager will be presenting at a webinar on 3 February 2021 at 1.00 pm, to give shareholders the opportunity to hear from the portfolio manager, and to ask questions. Shareholders can also sign up using this link: https://feedback.duuzra.com/form/b919fdbb-8fe3-4919-b437-f7658f661622

In addition, the Board would like shareholders to get in touch via the Company Secretary with any questions or comments, so that the Board can answer them in advance of the AGM. The Board will be providing answers to commonly asked questions on the Company's webpages, as well as the answers to questions received from shareholders before the AGM. To email, please use: amcompanysecretary@schroders.com or write to us at the Company's registered office address: Company Secretary, Schroder AsiaPacific Fund plc, 1 London Wall Place, London, EC2Y 5AU.

For regular news about the Company, shareholders are also encouraged to sign up to the Manager's investment trusts update by visiting the Company's website: https://www.schroders.com/en/uk/private-investor/fund-centre/funds-in-focus/investment-trusts/schroders-investmen t-trusts/never-miss-an-update/.

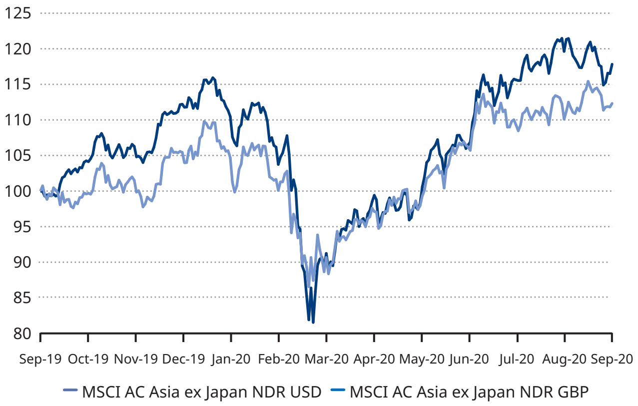
Nicholas Smith
Chairman

11 December 2020

Manager's Review

The net asset value per share of the Company recorded a total return of 17.7% over the twelve months to end September 2020. This was ahead of the performance of the Benchmark, the MSCI All Country Asia ex Japan Index, which was up 12.3% over the same period. (Source: Morningstar, net of fees).

Performance of the Benchmark in GBP and USD – 30 September 2019 to 30 September 2020



Source: Thomson Datastream as at 30 September 2020

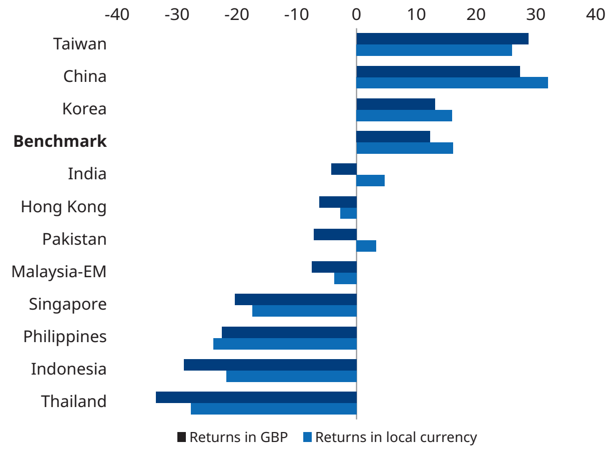
Despite the global disruption of the COVID-19 pandemic, widely followed Asian equities recorded positive returns for the twelve months under review. This has been thanks to a robust recovery following sharp falls in the first quarter of 2020 as the potential implications of the virus sunk in.

While some of the rapid recovery was due to the effectiveness with which a number of regional authorities handled the crisis, the global monetary and fiscal response was also of material impact. Looser credit, led by the US Federal Reserve but mirrored by all the major monetary authorities, resulted in a rapid reversal in the spike in credit spreads. With widespread direct support for both consumers and companies (in Asia primarily focused upon Small/Medium sized Enterprises or SMEs), equities recovered strongly over the Summer, also supported by the weakness in the US dollar.

Although China has been at the epicentre of the pandemic, and has also faced mounting pressure from the United States across a range of contentious issues, its economic performance has been particularly notable. Despite relatively mild stimulus measures by global standards (but pretty comprehensive lockdowns), China has led the regional recovery as supply disruptions were speedily resolved, and end demand recovered the bulk of the previous collapse. However, reflecting the global picture, areas such as long-distance travel, entertainment and tourism have proved slower to revive.

The overall regional performance disguised a wide dispersion in performance between both countries and sectors. As can be seen above, two markets were up over 25% in sterling terms, balanced by four down over 20%. The latter were all in ASEAN, and while there were easily identifiable negatives (collapse of tourism and political tension in Thailand, understandable lack of COVID-19 preparedness in Indonesia), much of the disparity can be put down to sectoral exposures. Heavy weightings towards banks, property, telecommunications and energy have hampered South East Asia, while higher exposure to technology and the "new economy" of e-commerce, online gaming, digital payments, social media, electronic vehicles and healthcare have supported China, Korea and Taiwan.

Country returns of the Benchmark in GBP and local currency – 30 September 2019 to 30 September 2020



Source: Factset.

As has been evident elsewhere, in many respects the pandemic has accelerated many of the structural changes that have been evident over the last decade. Much of the success with which regional authorities have addressed the crisis have been facilitated by technology, which has also underpinned new ways of doing things, whether it be video conferencing, ordering online or using digital payments.

Performance and portfolio activity

The Company's performance has been strong versus the Benchmark over the year as a whole. Outperformance was particularly marked in the second half, thanks to strong stock selection, most notably in Singapore, Taiwan, China, Korea and Hong Kong. India was the only area of significant stock selection shortfalls as the bank holdings suffered due to fears of credit losses due to the disruption caused by COVID-19.

Country allocation has been less successful due to the overweight in Hong Kong and underweight in China. There was a partial offset from the minimal exposure to emerging ASEAN markets (apart from Vietnam) which performed very poorly.

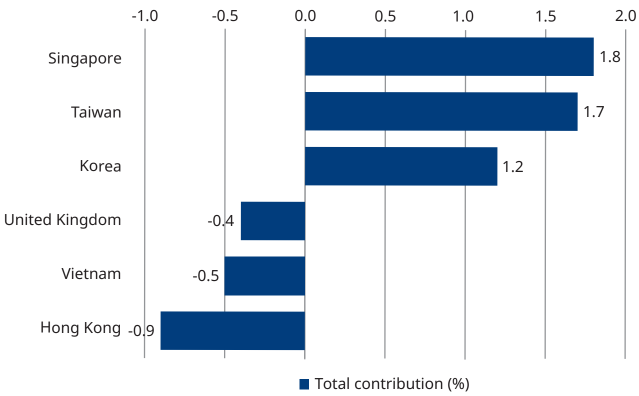
The scale of market correction in the wake of the pandemic occasioned a flurry of activity in the Company, as a number of very attractive long-term opportunities emerged, primarily in the area of information technology, EV (electric vehicle) batteries, e-commerce and selected consumer cyclicals. These purchases were funded from financials, energy and real estate where we judged there to be less immediate upside.

Outlook and Policy

The rate of earnings downgrades across the region has slowed recently, but there is still a lack of visibility on the timing of an end to global lockdowns and travel restrictions, and the likely path of the subsequent recovery in activity. This is especially the case now given secondary spikes in infections in several countries, though so far largely outside Asia itself. It is, therefore, no surprise that companies are providing limited

Manager's Review

Top 3 contributors and top 3 detractors, at a country level, 12 months to 30 September 2020 (% points)



Source: Factset PA3.

guidance on their shorter-term outlooks and continue to plan conservatively. In our interaction with management teams, our focus has been on understanding what measures they are taking to deal with the crisis and how well placed they are to ride out the downturn – operationally and financially. For many companies, this year's earnings are likely to be something of a write-off, so it is important to focus on the longer-term prospects for our investee companies. As performance in the past few months has demonstrated, markets by and large are willing to look beyond this crisis, as long as there is scope for a healthy recovery next year to a more 'normalised' level of profitability.

Consequently, aggregate valuations for the region have risen to slightly above historic average levels. This is clearly already pricing in a measure of the recovery in earnings expected into 2021 and the upside for the 'lockdown winners'. There is scope for disappointment, but the ultra-low level of interest rates and bond yields around the world provides support to valuations.

Behind the aggregate valuation measures, there is a very wide spread of multiples. This means that valuations in some of the sectors with strong momentum this year – notably selected healthcare, e-commerce, online gaming, 5G equipment, electric vehicle-related and other popular China A-listed shares – are much more stretched. We are also seeing some signs of 'froth' emerging in the very strong flows and performance of new initial public offerings in Hong Kong and South Korea. This froth is also evident in the high levels of retail participation in these deals and in market trading more generally. Although not yet at worrying levels, this sort of optimism does leave markets more vulnerable to disappointment.

The obverse of this is that many companies in less "fashionable" sectors are offering great value. However, we must be very selective as some industries are facing severe, even existential, disruption; for example the portfolio has relatively little exposure to hydro-carbon energy and autos, and we continue to take a very selective approach in banks and real estate. Across all sectors we remain sensitive to the long-term sustainability of company business models, working closely with our local analysts and our Environmental, Social and Governance (ESG) team.

It has been something of a tradition over the last twenty-five years that these reviews have been coy of making shorter-term forecasts on the likely direction of markets. We have never pretended to have any particular edge in short-term market timing and in penning his last review this writer is not going to change the habits of a lifetime. However, we have passionately believed in the importance and utility of active management, based on the long-term assessment of company fundamentals focusing on quality, good governance, and sustainable business models that we believe under-recognised by the consensus.

I am first to acknowledge that much of this "edge" has been due to my knowledgeable, diligent and committed analyst colleagues on the ground in the region, complemented by the excellent global research resources in London including our Global Sector Specialists, the Data Insights Unit and the Sustainable Investment Team. I thank them all, and know that they will provide full support to my successor, Richard Sennitt, who is uniquely qualified to guide the Company through the many twists and turns that Asia will doubtless throw up in the years to come.

Country Weights – Company vs. Benchmark

	Net Asset Value Weight (%)		Benchmark Weight (%)
	30/09/20	30/09/19	30/09/20
Mainland China	30.1	27.5	46.7
Hong Kong (SAR)	15.9	20.6	7.9
South Korea	14.8	11.4	13.4
Taiwan	12.9	10.4	14.2
India	8.1	9.7	9.2
Singapore	5.1	5.2	2.5
Australia	3.6	1.9	–
Indonesia	1.6	1.5	1.4
Philippines	0.1	0.3	0.8
Thailand	–	2.5	2.0
Malaysia	–	–	1.9
Other Equities*	8.0	6.6	–
(Gearing)/cash	(0.2)	2.4	–
Total	**100.0**	**100.0**	**100.0**

Source: Schroders, MSCI, 30 September 2020
*Vietnam, Netherlands, Italy, Germany, Japan and a unit trust.

Matthew Dobbs
Schroder Investment Management Limited
11 December 2020

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.

Investment Portfolio as at 30 September 2020

Investments are classified by the Manager in the country of their main business operations. Stocks in bold are the 20 largest investments which, by value, account for 70.1% (30 September 2019: 66.8%).

	£'000	%
Mainland China		
Alibaba[1] (including ADR[2])	**83,925**	**8.9**
Tencent Holdings[1]	**77,206**	**8.2**
Midea (including A shares and LEPO[2])	**33,405**	**3.5**
Ping An Insurance H[1]	**17,893**	**1.9**
Shenzhou International[1]	**17,687**	**1.9**
JD.com[1]	**16,728**	**1.7**
51 Jobs (ADR)[2]	11,170	1.2
Tongcheng Elong[1]	10,455	1.1
Hongfa Technology A	7,509	0.8
Li Ning[1]	5,559	0.6
WuXi Apptec H[1]	1,649	0.2
Total Mainland China	**283,186**	**30.0**
Hong Kong (SAR)		
AIA	**33,602**	**3.6**
Galaxy Entertainment	**27,273**	**2.9**
Hong Kong Exchanges and Clearing	**16,443**	**1.7**
Techtronic Industries	**15,348**	**1.6**
Kerry Properties	13,727	1.5
Swire Properties	8,208	0.9
Fortune Real Estate Investment Trust	7,813	0.8
Jardine Strategic[3]	6,974	0.7
Bank of China (Hong Kong)	6,450	0.7
ASM Pacific Technology	6,316	0.7
Johnson Electric	5,891	0.6
Chow Sang Sang	662	0.1
Total Hong Kong (SAR)	**148,707**	**15.8**

	£'000	%
South Korea		
Samsung Electronics (including preference shares)	**89,585**	**9.5**
Samsung SDI	**20,632**	**2.2**
Naver	14,410	1.5
SK Hynix	7,353	0.8
NHN KCP	5,488	0.6
Amorepacific Group (preference shares)	1,556	0.2
Total South Korea	**139,024**	**14.8**
Taiwan		
Taiwan Semiconductor	**80,982**	**8.6**
Hon Hai Precision Industries	**19,363**	**2.1**
Delta Electronics	10,878	1.1
Mediatek	10,732	1.1
Total Taiwan	**121,955**	**12.9**
India		
HDFC Bank	**23,025**	**2.4**
ICICI Bank (including ADR[2])	**17,127**	**1.8**
Apollo Hospitals Enterprise	13,079	1.4
Maruti Suzuki	9,581	1.0
Gujarat Pipavav Port	6,303	0.7
Alembic Pharmaceuticals	4,017	0.4
Multi Commodity Exchange of India	3,505	0.4
Total India	**76,637**	**8.1**
Singapore		
Sea ADR[2]	**20,314**	**2.2**
Oversea-Chinese Banking	9,502	1.0
CapitaLand Mall Trust REIT	7,187	0.8
United Overseas Bank	6,023	0.6
Suntec REIT	4,256	0.5
Total Singapore	**47,282**	**5.1**

Investment Portfolio as at 30 September 2020

	£'000	%
Australia		
BHP Billiton[4]	**20,415**	**2.2**
Rio Tinto[4]	13,918	1.4
Total Australia	**34,333**	**3.6**
United Kingdom[5]		
Schroder Small Cap Discovery Fund Z Acc	12,289	1.3
Standard Chartered[1]	3,881	0.4
Total United Kingdom	**16,170**	**1.7**
Indonesia		
Bank Central Asia	7,981	0.8
Bank Mandiri	7,574	0.8
Total Indonesia	**15,555**	**1.6**
Vietnam		
Dragon Capital Vietnam Enterprise Investments[4]	**15,141**	**1.6**
Total Vietnam	**15,141**	**1.6**
Netherlands		
ASML	**14,927**	**1.6**
Total Netherlands	**14,927**	**1.6**
Italy		
Prada[1]	11,723	1.2
Total Italy	**11,723**	**1.2**
Germany		
Adidas	10,612	1.1
Total Germany	**10,612**	**1.1**
Japan		
Nexon	7,687	0.8
Total Japan	**7,687**	**0.8**
Phillipines		
Holcim Philippines	859	0.1
Total Philippines	**859**	**0.1**
Total Investments[6]	**943,798**	**100.0**

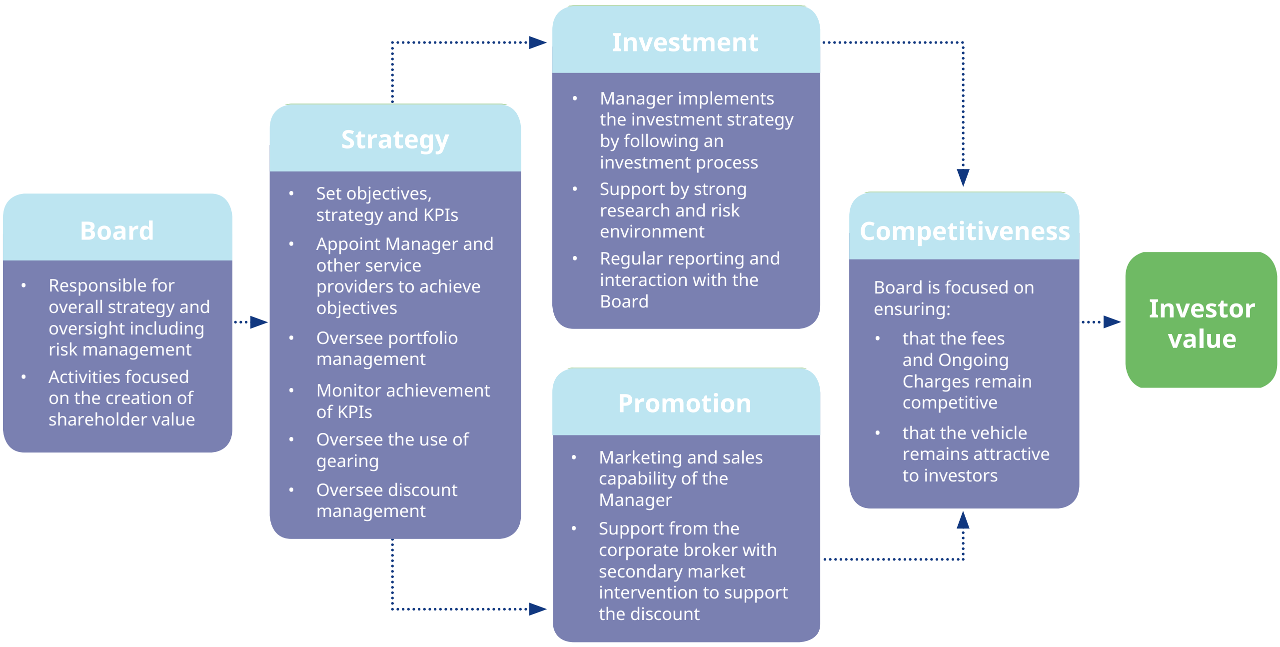
[1]Listed in Hong Kong.
[2]Listed in the USA.
[3]Listed in Singapore.
[4]Listed in the United Kingdom.
[5]Predominantly invested in Asia.
[6]Total investments comprises the following:

	£'000	%
Equities, including ADRs, LEPOs and NVDRs	899,764	95.3
Collective investment funds	27,430	2.9
Preference shares	16,604	1.8
Total investments	943,798	100.0

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

Strategic Report

The Strategic Report sets out the Company's strategy for delivering the investment objective (set out on the inside front cover), the business model, the risks involved and how the Board manages and mitigates those risks. It also details the Company's purpose, values and culture, and how it interacts with stakeholders.



Business model

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

Investment process

Stock selection is at the heart of the investment approach. A key strength of the Manager is its network of analysts in the region whose focus is on identifying companies able to grow shareholder value in the long term. Although the in-house analysts are the primary source of stock ideas, the portfolio manager also generates stock ideas through his own research and draws on a number of other sources including a proprietary quantitative screen, sell-side analysts, other investment professionals within Schroders and his own contacts in the market. A country allocation process is carried out on a monthly basis, combining the output of a proprietary quantitative model and the qualitative views of the portfolio manager.

Stock research

The Manager believes that equity markets are not efficient in Asia, and to generate alpha over the long term the best approach is to focus on fundamental bottom-up stock analysis. In particular, the Manager's analytical focus is on the future trend in a company's return on invested capital ("ROIC"), in the belief that this reflects the attractiveness and sustainability of the business model and serves as a predictor of long-term shareholder returns.

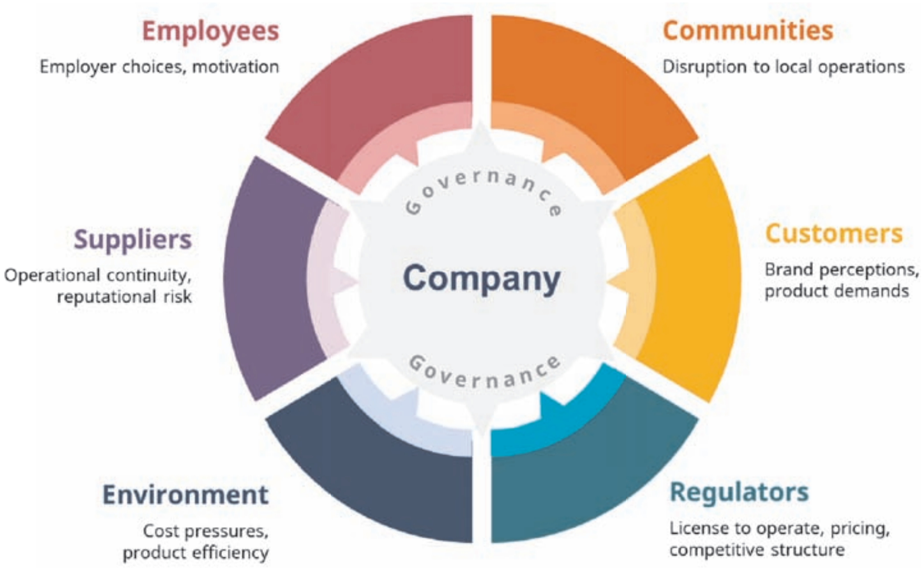
This approach, which focuses on the ROIC profile of a business, is the main lens through which the strength and sustainability of a company's franchise is assessed. Utilising this framework to judge the relative attraction of different businesses, the Manager aims to invest in mispriced assets that have an improving or superior return profile, while avoiding negative transition or inferior businesses which often represent value traps.

Given the Manager's focus on companies with sustainable business models over the longer-term, the assessment of non financial (Environmental, Governance and Social, or "ESG") factors is an essential part of the research process and stock appraisal. The Manager has a disciplined, long-term focused valuation framework to determine fair value estimates for the companies covered and owned, and ESG is integral in this analysis.

Schroders' Asian equity analysts are expected to provide written ESG analysis for all companies under coverage. This identifies and assesses the potential effect of ESG issues on the investment case.

For ESG analysis to be more robust and more integrated, they have adopted a broader stakeholder-based approach to ESG analysis. Drawing upon the CONTEXT framework and other proprietary tools developed by Schroders, the resulting analysis provides a detailed evaluation of all the material aspects of ESG for a company. The Manager's Asian analysts use the CONTEXT framework in the Asia CONTEXT template, which captures the ESG analysis in one template and is a key step in the overall assessment of a company. In addition to separate rankings for 'E', 'S' & 'G', the process generates an overall absolute numerical score for each company's ESG rating.

Schroders CONTEXT Framework



Source: Schroders

The Manager has always actively engaged with companies, and direct company contact is an important component of the initial due diligence and ongoing monitoring process. Following the pandemic restrictions, the Manager has greatly increased use of videoconferencing for Company meetings. The Asia CONTEXT template provides a clearer, and broader, roadmap on the issues requiring engagement. It has also helped refresh the Manager's focus on ROIC and enhances appreciation of the downside and upside risks to a company's business model. The analysts have the option to apply an explicit discount or premium to their fair value estimate as a result of their ESG analysis.

Stock selection/portfolio construction

Our portfolio manager works closely with the analysts in the region when selecting stocks, debating assumptions and scenarios, and stress testing valuations to increase conviction within the team about the recommendations. In addition to the merits of an individual stock idea, the portfolio manager takes into consideration the overall balance of the portfolio when selecting stocks and sizing positions – looking at overall sector and country weights.

A company's ESG characteristics may influence how the portfolio manager sizes positions within the portfolio. The manager may elect to limit, or even rule out, exposure to a particular stock in view of a specific ESG concern. We assess each situation on its merits, focusing on the materiality of ESG factors on a stock's valuation and risk profile.

While much of the portfolio construction is founded on the portfolio manager's skill and intuition, he also harnesses the Manager's risk management system, to provide a quantitative view of the characteristics of the portfolio. The portfolio manager also sets, in conjunction with the Board, the gearing level of the Company.

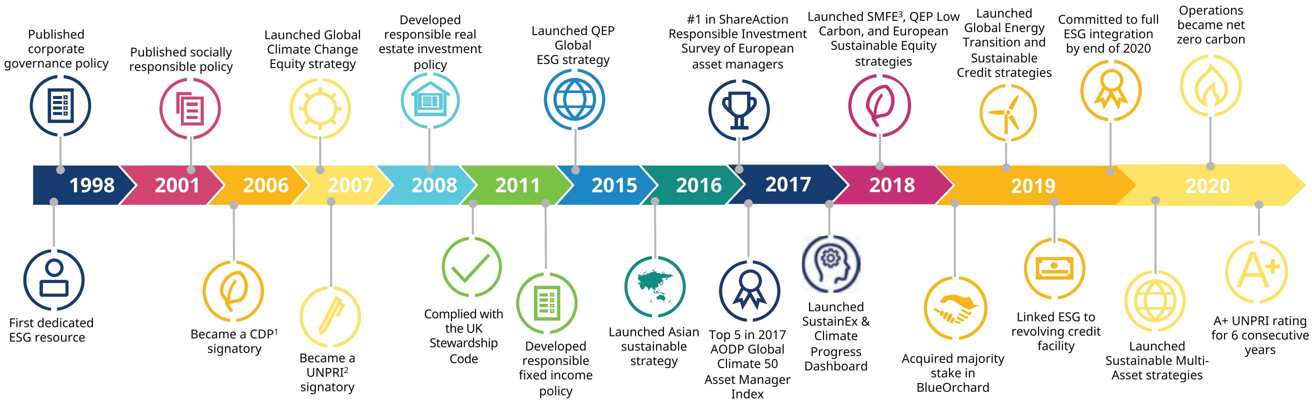
Overview of the Manager's ESG Research Resources

Schroders has been considering ESG issues, and sustainability generally, for over 20 years.

Schroders has a team of over 20 dedicated ESG analysts in London. They analyse long-term trends and implications around sustainability and how this is likely to affect different industries and stakeholders. The team operates as a central resource to both disseminate trends and analysis to the rest of the group and also provides training and input to the Manager's Asian analysts when they are undertaking their sustainability work as part of their industry and company research. Schroders uses research on sustainability to make more complete and informed investment decisions.

Sustainability at Schroders

A continually evolving approach



'Issues such as climate change, resource scarcity, population growth and corporate failure have put responsible investment at the forefront of investors' minds. We believe that companies with a strong environmental, social and governance ethos tend to deliver better results for our clients.'

Peter Harrison, Group Chief Executive, Schroders plc

Source: Schroders, September 2020.
[1]Carbon Disclosure Project. [2]UN Principles for Responsible Investing. [3]Sustainable Multi-Factor Equity.

The timeline above details how Schroders has been evolving its approach to sustainability over time, and the diagram below sets out how ESG is embedded in its culture and the investment process.

ESG integration

Embedded in our culture and investment process

Thematic research

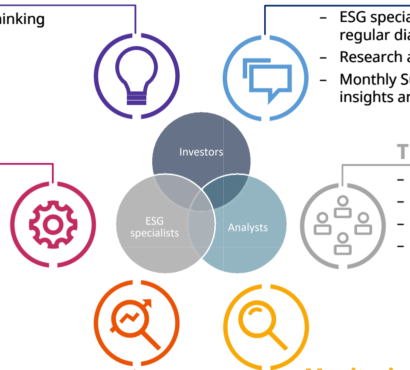
- Examines key sustainability trends and challenges current thinking
- Focused on investment impacts

Communication

- ESG specialists sit amongst investment teams to facilitate regular dialogue
- Research and engagements shared on global research platform
- Monthly Sustainability Investor Group meeting to discuss research insights and upcoming agenda

Proprietary ESG tools

- ESG guidance document covering 170+ GICS sub-sectors
- Investment-driven ESG tool, CONTEXT
- Country Sustainability Dashboard
- SustainEx



Training

- ESG training for new joiners and existing analysts
- Sector specific training
- Investment desk training
- Regular sector specific news and updates

ESG Analysis

- ESG specialists work with research analysts to understand key ESG issues and evaluate impact on the investment case
- ESG analysis included in research notes
- ESG specialists periodically review to highlight best practice and suggest improvements

Monitoring

- Ongoing monitoring of companies to identify emerging issues and candidates for engagement
- Collaboration with Data Insights team to track sustainability trends and negative events
- Quarterly screening of desk portfolios to identify holdings with poor ESG ratings

- Source: Schroders.

Investment restrictions and spread of risk

The key restrictions imposed on the Manager are that:

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

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

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

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

(e) no more than 25% of the Company's total net assets may be invested in the aggregate of unlisted investments and holdings representing 20% or more of the equity capital of any company. No breaches of these investment restrictions took place during the financial year.

The investment portfolio on pages 8 and 9 demonstrates that, as at 30 September 2020, the Company held 57 investments spread over multiple countries and in a range of industry sectors. The largest investment, Samsung Electronics, represented 9.5% of total investments. At the end of the year, the Company did not hold any unlisted investments or open-ended funds, except for the open-ended Schroder Small Cap Discovery Fund Z Acc, which represents 1.3% of total investments. The Board believes that the objective of spreading risk has been achieved.

Gearing

The Company has a £100 million multi-currency revolving credit facility with SMBC. $15 million was drawn down at the year end. In addition, the Company has a £30 million multi-currency overdraft facility with HSBC, which was not utilised during the year. The Board has set parameters within which the Manager is authorised to use the credit facilities and draw down funds.

While the articles of association limit the amount of gearing the Company may have to a maximum of the Company's adjusted capital and reserves, directors do not anticipate net effective gearing levels in excess of 20% of shareholders' funds.

Promotion

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

The Board also seeks active engagement with investors and meetings with the Chairman are offered to professional investors where appropriate.

During the restrictions related to the COVID-19 pandemic, the Manager instead used virtual meetings, telephone calls and as webinars to engage with shareholders.

Shareholders are 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/fund-centre/funds-in-focus/investment-trusts/schroders-investment-trusts/never-miss-an-update/.

Details of the Board's approach to discount management may be found in the Chairman's Statement on page 4 and in the Annual General Meeting – Recommendations on page 55.

Key performance indicator – the investment objective

The Board measures the development and success of the Company's business through achievement of the Company's investment objective which is considered to be the most significant key performance indicator for the Company.

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

The Board continues to review 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 fees, directors' fees and general expenses, is submitted to each Board meeting. Management fees are reviewed at least annually.

Purpose, Values and Culture

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

The Company's culture is driven by its values: Openness, Responsiveness, Diligence and the pursuit of Excellence, with collegial behaviour and constructive challenge at Board level and when engaging with stakeholders. The values are all centred on achieving returns for shareholders in line with the Company's investment objective. The Board also promotes the effective management or mitigation of the potential risks faced by the Company and, to the extent it does not conflict with the investment objective, 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.

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 fulfill the Company's investment objective by encouraging a culture of constructive challenge with all key suppliers and openness with all stakeholders. The Board is responsible for embedding the Company's culture in the Company's operations.

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

Corporate and Social Responsibility

Diversity

As at 30 September 2020, the Board comprised four men and two women. The Board has adopted a diversity and inclusion policy. With respect to recruitment of non-executive directors, the Company will not discriminate on the grounds of gender, social and ethnic backgrounds or cognitive and personal strengths. It will encourage any recruitment agencies it engages to find a range of candidates that meet the objective criteria agreed for each appointment. Appointments will always be based on merit. 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.

Bribery and corruption

The Company continues to be committed to carrying out its business fairly, honestly and openly and continues to operate an anti-bribery and corruption policy, 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 has no significant greenhouse gas emissions and energy usage to report.

Relations with shareholders

Shareholder relations are given high priority by both the Board and the Manager. The company communicates with shareholders through its webpages and the annual and half year reports which aim to provide shareholders with a clear understanding of the Company's activities and its results.

In addition to the engagement and meetings held during the year described on page 13, the chairs of the Board and committees, as well as the senior independent director and the other directors, attend the AGM and are available to respond to queries and concerns from shareholders.

Responsible investment

The Company delegates to its Manager the responsibility for taking environmental, social and governance ("ESG") issues into account when assessing the selection, retention and realisation of investments. The Board expects the Manager to engage with investee companies on social, environmental and business ethics issues and to promote best practice. The Board requires the Manager to exercise the Company's voting rights in consideration of these issues, and receive reporting on them. The Company voted all of its proxy votes in line with the Manager's corporate governance policy. This covered 165 resolutions, of which the Company voted against management recommendations or abstained on 8.5%. This primarily involved votes where the Manager felt the interest of minority shareholders such as the Company was not adequately protected, for example on issuing shares without pre-emptive rights for existing shareholders, and where it was judged that the board was insufficiently independent.

In addition to the description of the Manager's integration of ESG into the investment process and the details in the Managers' Review, a description of the Manager's policy on these matters can be found on the Schroders website at www.schroders.com/ri.

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 is compliant with the UK Stewardship Code and its compliance with the principles therein is reported on its website.

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

The Board's commitment to stakeholders – section 172 Companies Act 2006 statement

The Board has identified its key stakeholders as the Company's shareholders and service providers. The Board notes the Company has no employees and the impact of its own operations on the environment and local community is through the impact its service providers have.

Engagement with key stakeholders assists the Board in meeting the obligation for directors to act in a way that promotes the success of the Company, taking into account their interests. This statement outlines this engagement and the impact on decision making where appropriate, and cross-refers to the decisions made by the Board during the year, detailed elsewhere in this report.

As detailed in "Promotion" on page 13 and Relations with Shareholders on page 13, the Company engages with its shareholders. The Board considers feedback from shareholders throughout the year when making decisions relating to, amongst other matters, discount control, the continuation vote, the dividend and review of Board composition. Further details on shareholder engagement, in particular in relation to the succession planning for the portfolio manager, are included in the Chairman's Statement.

As detailed in "Purpose, Values and Culture" on page 13, the Board engages with service providers, and receives regular reporting, either directly, or through the Manager or Company Secretary, on performance and other matters. The effect of such engagement, if relevant, is detailed in the Chairman's Statement, Managers' Review and Management Engagement Committee Report.

Strategic Report

Principal risks and uncertainties

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. Both the principal risks and the monitoring system are also subject to robust review at least annually. The last review took place in November 2020.

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.

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.

Emerging risks and uncertainties

During the year, the Board also discussed and monitored a number of risks that could potentially impact the Company's ability to meet its strategic objectives. These were political risk, climate change risk and COVID-19-related risks. The Board has determined they are not currently material for the Company.

Political risk includes Brexit, trade wars and regional tensions. The Board believes that the Company's portfolio of equities in the Asia Pacific region shields the Company from Brexit-related risks. However, currency rates and borrowings drawn down by the Company may be affected by geopolitical developments. The Board is also mindful that changes to public policy in the US, UK, or in the Asia Pacific region, could impact the Company in the future.

Climate change risk includes how climate change could affect the Company's investments, and potentially shareholder returns. The Board notes the Manager has integrated ESG considerations, including climate change, into the investment process. The Board will continue to monitor this.

COVID-19 risk includes the impact on investment management and service providers, due to the uncertainty caused by the pandemic affecting the value of the Company's investments due to the disruption of supply chains and demand for products and services, increased costs and cash flow problems, and changed legal and regulatory requirements for companies. The Board notes the Manager's investment process is unaffected by the pandemic and it continues to focus on long-term company fundamentals and detailed analysis of current and future investments. COVID-19 also affected the Company's service providers, who implemented business continuity plans in line with government guidelines. All service providers continue to operate on a business as usual basis, despite the need to comply with government restrictions such as working from home.

*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 stable or increased.

Risk	Mitigation and management	Change*
Strategic The requirements of investors change or develop in such a way as to diverge from the Company's investment objectives, resulting in a wide discount of the share price to NAV per share.	The appropriateness of the Company's investment remit is periodically reviewed and the success of the Company in meeting its stated objectives is monitored. The share price relative to NAV per share is monitored and the use of buy back authorities is considered on a regular basis. The marketing and distribution activity is actively reviewed. The Company engages proactively with investors.	→
The Company's cost base could become uncompetitive, particularly in light of open ended alternatives.	The ongoing competitiveness of all service provider fees is subject to periodic benchmarking against their competitors. Annual consideration of management fee levels is undertaken.	→
Investment management The Manager's investment strategy, 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.	Review of: the Manager's compliance with its agreed investment restrictions, investment performance and risk against investment objectives and strategy; relative performance; the portfolio's risk profile; and whether appropriate strategies are employed to mitigate any negative impact of substantial changes in markets. The Manager also reported on the impact of COVID-19 on the Company's portfolio, and the market generally. Annual review of the ongoing suitability of the Manager. Regular meetings with major shareholders to seek their views with respect to company matters, including the five-yearly continuation vote.	→

Risk	Mitigation and management	Change*
Financial and currency The Company is exposed to the effect of market fluctuations due to the nature of its business. A significant fall in regional equity markets or a substantial currency fluctuation could have an adverse impact on the market value of the Company's investments.	The risk profile of the portfolio is considered and appropriate strategies to mitigate any negative impact of substantial changes in markets or currency are discussed with the Manager. The Company has no formal policy of hedging currency risk but may use foreign currency borrowings or forward foreign currency contracts to limit exposure.	→
Custody Safe custody of the Company's assets may be compromised through control failures by the depositary.	The depositary reports on the safe custody of the Company's assets, including cash and portfolio holdings which are independently reconciled with the Manager's records. The review of audited internal controls reports covering custodial arrangements is undertaken. An annual report from the depositary on its activities, including matters arising from custody operations is received.	→
Gearing and leverage The Company utilises credit facilities. These arrangements increase the funds available for investment through borrowing. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance.	Gearing is monitored and strict restrictions on borrowings are imposed: gearing continues to operate within pre-agreed limits so as not to exceed 20% of shareholders' funds.	→
Accounting, legal and regulatory In order to continue to qualify as an investment trust, the Company must comply with the requirements of Section 1158 of the Corporation Tax Act 2010. Breaches of the UK Listing Rules, the Companies Act or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes.	The confirmation of compliance with relevant laws and regulations by key service providers is reviewed. Shareholder documents and announcements, including the annual report, are subject to stringent review processes. Procedures are established to safeguard against the disclosure of inside information.	→
Service provider The Company has no employees and has delegated certain functions to a number of service providers. Failure of controls 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 clearly documented contractual arrangements detailing service expectations. Regular reporting is provided by key service providers and monitoring of the quality of their services provided. The directors also receive presentations from the Manager, depositary and custodian, and the registrar on an annual basis. This included reporting on the arrangements for working during the COVID-19 pandemic lockdown. Review of annual audited internal controls reports from key service providers, including confirmation of business continuity arrangements and IT controls is undertaken.	→
Cyber The Company's service providers are all exposed to the risk of cyber attacks. Cyber attacks could lead to loss of personal or confidential information or disrupt operations.	Service providers report on cyber risk mitigation and management at least annually, which includes confirmation of business continuity capability in the event of a cyber attack. In addition, the Board received presentations from the Manager, depositary and custodian, and the registrar on cyber risk, and the additional steps those companies were taking during the COVID-19 pandemic and the need for employees to work from home.	→

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.

A full analysis of the financial risks facing the Company is set out in note 19 to the accounts on pages 49 to 54.

Viability statement

The directors have assessed the viability of the Company over a five year period, taking into account the Company's position at 30 September 2020 and the potential impact of the principal risks and uncertainties it faces for the review period including the impact of COVID-19. This is further detailed in the Chairman's Statement, Portfolio Managers' Review and Emerging Risks sections of this report. The directors have assessed the Company's operational resilience and they are satisfied that the Company's outsourced service providers will continue to operate effectively, following the implementation of their business continuity plans as required by COVID-19.

The Board believes that a period of five years reflects a suitable time horizon for strategic planning, taking into account the investment policy, liquidity of investments, potential impact of economic cycles, nature of operating costs, dividends and availability of funding. In its assessment of the viability of the Company, the directors have considered each of the Company's principal risks and uncertainties detailed on pages 15 and 16 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. Whilst the Company's articles of association require that a proposal for the continuation of the Company be put forward at the Company's AGM, the directors have no reason to believe that such a resolution will not be passed by shareholders.

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

Going concern

Having assessed the principal risks, including the impact of the COVID-19 pandemic and the other matters discussed in connection with the viability statement set out above, and the "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting" published by the FRC, the directors consider it appropriate to adopt the going concern basis in preparing the accounts.

By order of the Board

Schroder Investment Management Limited
Company Secretary

11 December 2020

Board of Directors

Nicholas Smith

Status: independent non-executive Chairman

Length of service: 10 years – appointed a director in May 2010 and Chairman in January 2016
Experience: Mr Smith joined the Jardine Fleming Group in 1986 in Hong Kong serving, from 1993, as Chief Financial Officer and as a member of the Executive Committee. After returning to the UK, Mr Smith became a director of Robert Fleming International Ltd in 1998 and the director of Origination – Investment Banking serving until 2000. Mr Smith currently serves as Chairman of Aberdeen New Thai Investment Trust PLC, and is a non-executive director of JP Morgan European Smaller Companies Trust plc.
Committee membership: management engagement and nomination committees (chairman of the nomination committee)
Current remuneration: £43,000 per annum
Number of shares held: 20,000*

Keith Craig

Status: independent non-executive director

Length of service: 5 years – appointed a director in May 2015
Experience: Mr Craig served with the British Army after university and subsequently joined the Swire Group in Hong Kong and Manila in the 1980s and early 1990s. He was then a diplomat with the Foreign & Commonwealth Office for some years before moving back to Asia as a stockbroker, establishing WI Carr's business in the Philippines and subsequently running their global equity sales and trading operation, based in Hong Kong. He returned to London in 2000 and was CEO of Hakluyt, a strategic intelligence company, until 2017, when he founded Westbury Partners. He is a non-executive director of Oxford Nanoimaging, a senior adviser at PJT Partners and a member of the advisory boards of the Bodleian Library and Cancer Research UK.
Committee membership: audit and risk, management engagement and nomination committees
Current remuneration: £30,000 per annum
Number of shares held: 12,587*

Vivien Gould

Status: independent non-executive director

Length of service: 1 year – appointed a director in May 2019
Experience: Ms Gould has worked in the financial services sector since 1981. She was a founder director of River & Mercantile Investment Management Limited (1985) and served there as a senior executive and deputy managing director until 1994. She then served on the boards of a number of listed investment trusts, investment management companies and other financial companies. She also served on the boards of a number of charities, including the Stroke Association, where she chaired the investment committee. Ms Gould is currently a non-executive director and senior independent director of The Lindsell Train Investment Trust PLC, a non-executive director of Baring Emerging EMEA Opportunities PLC and a non-executive director of National Philanthropic Trust UK.
Committee membership: audit and risk, management engagement and nomination committees
Current remuneration: £30,000 per annum
Number of shares held: 5,000*

Board of Directors

Rosemary Morgan

Status: senior independent non-executive director

Length of service: 8 years – appointed a director in July 2012
Experience: Mrs Morgan studied Japanese at university in Australia, Japan and the US and worked as a Japanese equity fund manager for 16 years at John Govett before joining the institutional client team at Fidelity. She was at RBS from mid-2007 where she managed long only and alternative funds of funds specialising in Japan, the Pacific Basin and Emerging Markets. The team moved to Aberdeen Asset Management in February 2010 and she retired in March 2012. She is the chair and a non-executive director of Nippon Active Value Fund plc and of JPMorgan Indian Investment Trust plc.
Committee membership: audit and risk, management engagement and nomination committees (chair of the audit and risk committee)
Current remuneration: £38,000 per annum
Number of shares held: 5,374*

Martin Porter

Status: independent non-executive director

Length of service: 3 years – appointed a director in October 2017
Experience: Martin joined Robert Fleming Asset Management in 1984, and ran equity portfolios in both London and Japan. During his tenure in Japan, he became a holding board director of Jardine Fleming, responsible for the Japanese business. Returning to the UK in 2000, he took up the role of Chief Investment Officer, Equity and Balanced of Fleming Asset Management, before becoming Global Head of Equities of JP Morgan Asset Management, a position he held from 2003 to 2016 when he retired.
Committee membership: audit and risk, management engagement and nomination committees
Current remuneration: £30,000 per annum
Number of shares held: 10,000*

James Williams

Status: independent non-executive director

Length of service: 6 years – appointed a director in August 2014
Experience: Mr Williams worked for 18 years in the investment banking industry for ING Barings, ABN AMRO and Commerzbank Securities including senior roles in Hong Kong, Bangkok and London. After leaving Commerzbank Securities in 2005 he became a partner at Saginaw Capital LLP until 2008.
Committee membership: audit and risk, management engagement and nomination committees (chair of the management engagement committee)
Current remuneration: £30,000 per annum
Number of shares held: 10,125*

*Shareholdings are as at 10 December 2020, full details of directors' shareholdings are set out in the Remuneration Report on page 30.

Directors' Report

The directors submit their report and the audited financial statements of the Company for the year ended 30 September 2020.

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 18. 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 or by email to: amcompanysecretary@schroders.com.

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 ensure that the investment objective of the Company continues to be met. The Board also ensures that the Manager adheres to the investment restrictions set by the Board and acts within the parameters set by it in respect of any gearing. The Strategic Report on pages 10 to 17 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 per share and 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.

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 also provides general marketing support for the Company and manages relationships with key investors, in conjunction with the Chairman, other Board members or the corporate broker as appropriate. The Manager has delegated investment management, 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.

The Schroders Group manages £536.3 billion (as at 30 September 2020) 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 currently entitled to a fee of 0.80% per annum on the first £600 million of assets chargeable and 0.75% per annum on chargeable assets in excess of £600 million.

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

The management fee payable in respect of the year ended 30 September 2020 amounted to £6,514,000 (2019: £6,385,000).

Directors' Report

The Manager is also entitled to receive a fee for providing administrative, accounting and company secretarial services to the Company. For these services, in the year ended 30 September 2020 it received a fee of £109,000 (2019: £106,000). The fee continues to be subject to annual adjustment in line with changes in the Retail Prices Index.

Details of amounts payable to the Manager are set out in note 16 on page 48 of this report.

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

As reported in the Chairman's Statement, and following the review process, the Board agreed with the Manager that with effect from 1 April 2021, the Manager will be entitled to a fee of 0.75% per annum on the first £600 million of the cum income net assets, and 0.70% per annum on the cum income net assets in excess of £600 million. The accounting, administrative and company secretarial fee shall be fixed at £150,000 per annum. In addition the notice period shall be reduced to six months from 1 October 2020.

Depositary

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

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

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

Registrar

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

Compliance with the AIC Code of Corporate Governance

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

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

The Financial Conduct Authority requires all UK listed companies to disclose how they have complied with the provisions of the UK Code. This statement, together with the Statement of Directors' Responsibilities, viability statement and going concern statement set out on pages 31 and 17, respectively, indicates how the Company has complied with the principles of good governance of the AIC Code and its requirements on internal control. The Strategic Report and Directors' Report provide further details on the Company's internal controls (including risk management), governance and diversity policy.

The Board is satisfied that the Company's current governance framework is compliant with the AIC Code except with respect to the tenure of the current Chairman. Mr Smith intends to retire at the AGM.

Revenue, final dividend and dividend policy

The net revenue return for the year, after finance costs and taxation, was £13,253,000 (2019: £16,590,000), equivalent to a revenue return per ordinary share of 7.92 pence (2019: 9.90 pence).

The Board has recommended the payment of a final dividend for the year ended 30 September 2020 of 8.00 pence per share (2019: 9.70 pence) payable on 8 February 2021 to shareholders on the register on 29 December 2020, subject to approval by shareholders at the AGM on 3 February 2021.

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

Committees

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

The reports of the audit and risk committee, management engagement committee and nomination committee are incorporated into and form part of the Directors' Report.

Directors' Report

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

Status

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

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

The articles of association contain provisions requiring the directors to put a proposal for the continuation of the Company to shareholders at the forthcoming Annual General Meeting ("AGM") on 3 February 2021 and thereafter at five yearly intervals.

Share capital and substantial share interests

The Board has authority to issue and buy back shares, as detailed in Annual General Meeting – Recommendations.

As at the date of this report, the Company had 166,820,716 ordinary shares of 10p in issue. No shares were held in treasury. 650,000 shares were bought back during the period ended 30 September 2020. Accordingly, the total number of voting rights in the Company at the date of this report is 166,820,716. Details of changes to the Company's share capital during the year under review are given in note 13 to the accounts on page 47.

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 3% or more of the voting rights attaching to the Company's issued share capital.

	Ordinary shares as at 30 September 2020	% of total voting rights
Investec Wealth & Investment Ltd	18,207,877	10.87
City of London Investment Management ltd	16,699,874	9.97
Rathbone Investment Management ltd	8,524,340	5.09
Schroders plc	8,483,022	5.06
Standard Life Aberdeen plc	8,299,097	4.95
Wells Capital Management Inc	8,255,649	4.93
Lazard Asset Management LLC	7,387,117	4.41

There have been no notified changes to the above holdings since the year end.

Provision of information to the auditor

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

Directors' attendance at meetings

The number of scheduled meetings of the Board and its committees held during the financial year and the attendance of individual directors is shown below. Whenever possible all directors attend the AGM. The Board also met for an additional eight meetings during the year, attended by all directors available at the time. The ad hoc meetings were held to consider refinancing the credit facility, to approve the portfolio manager's succession plans and to receive regular updates on the Company's performance.

Director	Board	Audit and Risk Committee	Nomination Committee	Management Engagement Committee
Nicholas Smith	4/4	N/A	1/1	1/1
Keith Craig	4/4	2/2	1/1	1/1
Vivien Gould	4/4	2/2	1/1	1/1
Rosemary Morgan	3/4[1]	2/2	1/1	1/1
Martin Porter	4/4	2/2	1/1	1/1
James Williams	4/4	2/2	0/1	1/1

[1]Mrs Morgan was unable to attend a scheduled Board meeting due to being called for jury service.

Directors' and officers' liability insurance and indemnities

Directors' and officers' liability insurance cover was in place for the directors throughout the year. The Company's articles of association provide, subject to the provisions of UK legislation, an indemnity for directors in respect of costs which they may incur relating to the defence of any proceedings brought against them arising out of their positions as directors, in which they are acquitted or judgment is given in their favour by the Court. This is a qualifying third party indemnity policy and was in place throughout the year under review for each director and to the date of this report.

By order of the Board

Schroder Investment Management Limited
Company Secretary

11 December 2020

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 may be found in the terms of reference which are set out on the Company's webpages, www.schroders.co.uk/asiapacific. Membership of the committee is as set out on pages 18 and 19. 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. The committee's effectiveness was assessed, and judged to be satisfactory, as part of the directors' annual review of the Board and its committees.

The committee discharged its responsibilities by:

- considering its terms of reference;
- reviewing the operational controls maintained by the Manager, depositary and registrar;
- reviewing the half year and annual report and accounts and related audit plan and engagement letter;
- reviewing the need for an internal audit function;
- reviewing the independence of the auditor;
- evaluating the auditor's performance;
- reviewing the principal risks faced by the Company and the system of internal control; and
- reviewing the impact of and risks related to the COVID-19 pandemic and its impact on going concern and longer-term viability.

Governance

Annual report and financial statements

During its review of the Company's financial statements for the year ended 30 September 2020, the committee, having deliberated on the Company's principal risks and uncertainties, considered the following significant issues, including consideration of principal risks and uncertainties in light of the Company's activities, and issues communicated by the auditor during its reporting:

Issue considered	How the issue was addressed
– Valuation and existence of holdings	– Review of portfolio holdings and assurance reports on controls from the Manager and depositary.
– Overall accuracy of the annual report and accounts	– Consideration of the draft annual report and accounts and the letter from the Manager in support of the letter of representation to the auditor.
– Calculation of the investment management fee	– Consideration of methodology used to calculate the fee, matched against the criteria set out in the AIFM agreement.
– Internal controls and risk management	– Consideration of several key aspects of internal control and risk management operating within the Manager, depositary and registrar, including assurance reports on their controls which include reporting on IT and cyber security, custody and fund services.
– Compliance with the investment trust qualifying rules in S1158 of the Corporation Tax Act 2010	– Consideration of the Manager's report confirming compliance, and review of minimum distribution calculation.
– The effect of COVID-19 on the going concern and longer-term viability of the Company	– Consideration of the effect of COVID-19 which would affect the ability of the Company to continue as a going concern and its viability for the five-year period chosen by the Board.

Recommendations made to, and approved by, the Board:

As a result of the work performed, the committee has concluded that the annual report and accounts for the year ended 30 September 2020, 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 31.

Audit and Risk Committee Report

Effectiveness of the independent audit process

The committee evaluated the effectiveness of the independent audit firm and process prior to making a recommendation on its re-appointment at the forthcoming AGM. This evaluation involved an assessment of the effectiveness of the auditor's performance against agreed criteria including: qualification; knowledge, expertise and resources; independence policies; effectiveness of audit planning; adherence to auditing standards; and overall competence. As part of the evaluation, the committee considered feedback from the Manager on the audit process and the year end report from the auditor, which details compliance with regulatory requirements, on safeguards that have been established, and on their own internal quality control procedures. The members of the committee also met the auditor without representatives of the Manager present.

Representatives of the auditor attend the committee meeting at which the draft annual report and accounts is considered. Having reviewed the performance of the auditor as described above, the committee considered it appropriate to recommend the firm's re-appointment.

Ernst & Young LLP has provided audit services to the Company since it was appointed following a tender process on 30 September 2018. This is the second year that Ernst & Young LLP will be undertaking the Company's audit.

The auditors are required to rotate the secondary statutory auditor every five years. This is the second year that the senior statutory auditor, Caroline Mercer, has conducted the audit of the Company's financial statements.

There are no contractual obligations restricting the choice of independent auditor. The Company is compliant with the provisions of the September 2014 Competition and Markets Authority Order, which requires that FTSE 350 companies put their audit out to tender at least every ten years.

Independent auditor

Ernst & Young LLP have indicated their willingness to continue to act as auditor. Accordingly, resolutions to re-appoint Ernst & Young LLP as auditor to the Company, and to authorise the directors to determine their remuneration will be proposed at the AGM.

Provision of non-audit services

The committee has reviewed the FRC's Guidance on Audit Committees and has formulated a policy on the provision of non-audit services by the Company's auditor. The committee has determined that the Company's appointed auditor will not be considered for the provision of certain non-audit services, such as accounting and preparation of the financial statements, internal audit and custody. The auditor may, if required, provide other non-audit services however, and this will be judged on a case-by-case basis.

The auditor has not provided any non-audit services to the Company during the year (2019: none).

Internal audit

The Company does not have an internal audit function; it delegates to third parties most of its operations and does not employ any staff. The committee will continue to monitor the system of internal control in order to provide assurance that it operates as intended and the directors will continue to annually review whether an internal audit function is needed.

Rosemary Morgan
Audit and Risk Committee Chair

11 December 2020

Recommendations made to, and approved by, the Board:

- That Ernst & Young LLP be recommended for re-appointment as auditor at the AGM.

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. James Williams is the chair of the committee. Its terms of reference are available on the Company's webpages, www.schroders.co.uk/asiapacific.

Approach

Oversight of the Manager

The committee:

- reviews the Manager's performance, over the short and long term, against the Benchmark, peer group and the market.
- considers the reporting it has received from the Manager throughout the year, and the reporting from the Manager to the shareholders.
- assesses management fees on an absolute and relative basis, receiving input from the Company's broker, including peer group and industry figures, as well as the structure of the fees.
- reviews the appropriateness of the Manager's contract, including terms such as notice period.
- assesses whether 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:

- Depositary and custodian
- Corporate broker
- Registrar
- Lender

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

The committee notes the audit and risk committee's review of the auditor.

Application during the year

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

The committee reviewed the management fee structure and agreed a change with the Manager, resulting in a reduction in overall fees, from 1 April 2021, detailed in the Directors' Report.

The committee also reviewed the terms of the AIFM agreement and agreed they remained fit for purpose. However, the notice period would be reduced to six months from 1 October 2020.

The committee reviewed the other services provided by the Manager and agreed they were satisfactory.

The annual review of each of the service providers was satisfactory.

The committee noted that the audit and risk committee had undertaken a detailed evaluation of the Manager, registrar, and depositary and custodian's internal controls.

Recommendations made to, and approved by, the Board:

- That the ongoing appointment of the Manager on the terms of the AIFM agreement was in the best interests of shareholders as a whole.
- That the fee structure and notice period be varied, as detailed in the Directors' Report.
- That the Company's service providers' performance remained satisfactory.

Nomination Committee Report

The nomination committee is responsible for (1) the recruitment, selection and induction of directors, (2) their assessment during their tenure, and (3) the Board's succession. All directors are members of the committee. Nicholas Smith is the chair of the committee. Its terms of reference are available on the Company's webpages, www.schroders.co.uk/asiapacific.

Oversight of directors

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

Approach

Selection and induction

- Committee prepares a job specification for each role, and an independent recruitment firm is appointed. For the Chairman and the chairs of committees, the committee considers current Board members too.
- Job specification outlines the knowledge, professional skills, personal qualities and experience requirements.
- Potential candidates assessed against the Company's diversity policy.
- Committee discusses the long list, invites a number of candidates for interview and makes a recommendation to the Board.
- Committee reviews the induction and training of new directors.

Board evaluation and directors' fees

- Committee assesses each director annually, and will use an external board evaluator every three years.
- 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.
- All directors retire at the AGM and their re-election is subject to shareholder approval.
- Committee reviews directors' fees, taking into account comparative data and reports to shareholders. No directors are involved in making recommendations with respect to their own remuneration.
- Any proposed changes to the remuneration policy for directors discussed and 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 the AGM.
- Committee reviews the Board's current and future needs at least annually. Should any need be identified the committee will initiate the selection process.
- Committee oversees the handover process for retiring directors.

For application see page 27.

Nomination Committee Report

Application during the year

Selection and induction

- The committee noted the need to appoint a new Chairman following Mr Smith's retirement at the forthcoming AGM and agreed that the SID should lead the selection process as part of a sub-committee made up of Mrs Morgan and two committee members (excluding Mr Smith).
- Following the year end the sub-committee met to interview two potential internal candidates.
- After the interview process, the sub-committee recommended Mr Williams be appointed, based on his skill, experience and time on the Board so as to provide continuity, noting Mr Smith and Mrs Morgan's upcoming retirements and the change of portfolio manager.

Board evaluation and directors' fees

- The Board and committee evaluation process was undertaken in September 2020.
- 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. All directors were considered to be independent in character and judgement.
- 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 18 and 19.
- Based on its assessment, the committee provided individual recommendations for each director's re-election.
- The committee reviewed directors' fees, using external benchmarking, and recommended that directors' fees, remain unchanged as detailed in the remuneration report.

Succession

- The committee reviewed the succession policy and agreed it was still fit for purpose.
- The committee noted that Mrs Morgan would be retiring at the AGM in 2022 and following the year end discussed the role specification for a new appointment, to take place in 2021.

Recommendations made to, and approved by, the Board:

- That Mr Williams be appointed as Chairman of the Board and Chairman of the Nomination Committee, following Mr Smith's retirement at the forthcoming 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, sustainable success, and remain free from conflicts with the Company and its directors, so should all be recommended for re-election by shareholders at the AGM.

Directors' Remuneration Report

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 AGM in 2022 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 30 January 2020, 99.86% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the remuneration policy were in favour, while 0.14% were against. 108,823 votes were withheld.

At the AGM held on 30 January 2020, 99.89% of the votes cast (including votes cast at the Chairman's discretion) in respect of approval of the report on remuneration for the year ended 30 September 2019 were in favour, while 0.11% were against. 125,384 votes were withheld.

Directors' remuneration policy

The determination of the directors' fees is a matter dealt with by the Board and the nomination committee.

It is the Board's policy to determine the level of directors' remuneration having regard to amounts payable to non-executive directors in the industry generally, the role that individual directors fulfil in respect of Board and committee responsibilities, and time committed to the Company's affairs taking into account the aggregate level of fees set out in the Company's articles of association. This aggregate level of fees is currently set at £300,000 per annum and any increase in this level requires approval by the Board and the Company's shareholders.

The Chairman of the Board and the chair of the audit and risk committee each receive fees at a higher rate than the other directors to reflect their additional responsibilities. Directors' fees are set at a level to recruit and retain individuals of sufficient calibre, with the level of knowledge, experience and expertise necessary to promote the success of the Company in reaching its short and long-term strategic objectives.

The Board and its committees exclusively comprise non-executive directors. No director past or present has an entitlement to a pension from the Company and the Company has not and does not intend to operate a share scheme for directors or to award any share options or long-term performance incentives to any director. No director has a service contract with the Company. However 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 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' annual report on remuneration

This report sets out how the directors' remuneration policy was implemented during the year ended 30 September 2020.

Consideration of matters relating to directors' remuneration

Directors' remuneration was last reviewed by the nomination committee and the Board in November 2020. The members of the Board at the time that remuneration levels were considered were as set out on pages 18 and 19 of this annual report. Although no external advice was sought in considering the levels of directors' fees, information on fees paid to directors of other investment trusts managed by Schroders and peer group companies provided by the Manager and corporate broker was taken into consideration, as was independent third party research.

Following this review, the Board agreed that directors' fees should be maintained at their current level. They were last increased with effect from 1 October 2019.

Directors’ Remuneration Report

Fees paid to directors

The following amounts were paid by the Company to directors for their services in respect of the year ended 30 September 2020 and the preceding financial year. Directors’ remuneration is all fixed; they do not receive any variable remuneration. The performance of the Company over the financial year is presented on page 2, under the heading “Key Performance Indicators and Long-term Performance Record”.

	Fees		Taxable benefits[1]		Total		Annual
	2020	2019	2020	2019	2020	2019	Change
Director	£	£	£	£	£	£	%
Nicholas Smith	43,000	40,000	569	136	43,569	40,136	8.6
Keith Craig	30,000	28,000	85	102	30,085	28,102	7.1
Vivien Gould[2]	30,000	10,177	2,535	–	32,535	10,177	219.7[2]
Rosemary Morgan	38,000	33,000	114	136	38,114	33,136	15.0
Martin Porter	30,000	28,000	85	102	30,085	28,102	7.1
James Williams	30,000	28,000	515	326	30,515	28,326	7.7
	201,000	167,177	3,903	802	204,903	167,979	

[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]Appointed as a director on 21 May 2019. The annual change increase reflects the fact that Ms Gould joined the Board part way through 2019. Her fees increased by the same amount as the other non-executive directors.

The information in the above table has been audited.

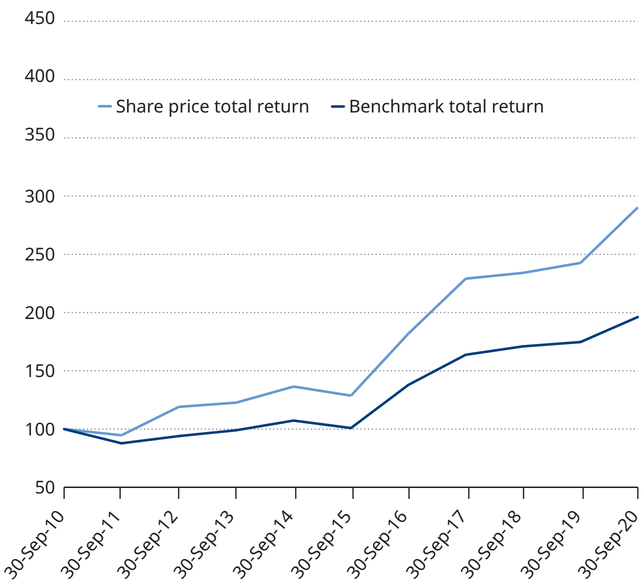
Expenditure by the Company on remuneration and distributions to shareholders

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

	Year ended 30 September 2020 £’000	Year ended 30 September 2019 £’000	Change %
Remuneration payable to directors	205	168	+22.0
Distributions paid to shareholders			
– Dividends paid during the year	16,245	15,910	
– Share buybacks	3,217	412	
Total distributions paid to shareholders	19,462	16,322	+19.2

The information in the above table has been audited.

Ten year share price and Benchmark total returns[1]



[1]Source: Morningstar/Thomson Reuters. Rebased to 100 at 30 September 2010.

Definitions of terms and performance measures are provided on page 59.

Governance

Directors' Remuneration Report

Directors' share interests

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

	Ordinary shares of 10p each at 30 September 2020	Ordinary shares of 10p each at 1 October 2019
Nicholas Smith	**20,000**	20,000
Keith Craig	**12,581**	7,544
Vivien Gould	**5,000**	–
Rosemary Morgan	**6,993**	7,035
Martin Porter	**10,000**	10,000
James Williams	**10,125**	10,125

The information in the above table has been audited.

Since the year end, Mrs Morgan sold 19 shares, reducing her holding to 6,974.

On behalf of the Board

Nicholas Smith
Chairman

11 December 2020

Statement of Directors' Responsibilities in respect of the Annual Report and Accounts

The directors are responsible for preparing the annual report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the return or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions in FRS 102, used in the preparation of the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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

Each of the directors, whose names and functions are listed on pages 18 and 19, confirm that to the best of their knowledge:

- the financial statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Strategic Report contained in the report and accounts 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, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

Nicholas Smith
Chairman

11 December 2020

Independent Auditor's Report to the Members of Schroder AsiaPacific Fund plc

Opinion

We have audited the financial statements of Schroder Asia Pacific Fund plc (the 'Company') for the year ended 30 September 2020 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position, and the related notes 1 to 20, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 30 September 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs(UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 15 and 16 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 15 in the annual report that they have carried out a robust assessment of the emerging and principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
- the directors' statement set out on page 17 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 entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
- the directors' explanation set out on page 17 in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Overview of our audit approach

Key audit matters

- Risk of incomplete or inaccurate revenue recognition, including classification of special dividends as revenue or capital in the Income Statement
- Risk of incorrect valuation or ownership of the investment portfolio
- Risk that the going concern assumption is incorrectly applied including the consideration of the impact of COVID-19

Materiality

- Overall materiality of £9.46m which represents 1% of shareholders' funds (2019: £8.22m)

Key audit matters

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

Independent Auditor's Report to the Members of Schroder AsiaPacific Fund plc

Risk	Our response to the risk	Key observations communicated to the Audit and Risk Committee
Incomplete or inaccurate revenue recognition, including the classification of special dividends as revenue or capital in the Income Statement (as described on page 23 in the Audit and Risk Committee's Report and as per the accounting policy set out on page 41). The total revenue for the year to 30 September 2020 was £16.95 million (2019: £20.61 million), consisting primarily of dividend income from listed equity investments. The total amount of special dividends received by the Company during the year was £0.32 million (2019: £1.70 million), all of which was classified as revenue (2019: £0.73 million as revenue and £0.97 million as capital). There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment. In addition to the above, judgement is required when determining whether income receivable in the form of special dividends should be classified as 'revenue' or 'capital' in the Income Statement.	**We have performed the following procedures:** We obtained an understanding of the processes and controls surrounding revenue recognition by performing walkthrough procedures. For 100% of dividends, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share as agreed to an independent data vendor. We agreed a sample to bank statements and, where applicable, we also agreed the exchange rates to an external source. To test the completeness of recorded income, we tested that all expected dividends for each investee company had been recorded as income with reference to investee company announcements obtained from an independent vendor. For all dividends accrued at the year end, we agreed the dividend entitlement to an independent data vendor and agreed the amount receivable to post year-end bank statements. For the special dividends above our testing threshold, we recalculated and assessed the appropriateness of management's classification by reviewing the underlying rationale of each special dividend's distribution and agreed with the allocation to revenue. We obtained an understanding of the Manager's and the administrator's processes surrounding pricing of listed securities by performing walkthrough procedures. For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We inspected the stale pricing reports produced by the Administrator to identify prices that have not changed and verified whether the listed price is a valid fair value.	The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including incorrect classification of special dividends as revenue or capital in the Income Statement.

Independent Auditor's Report to the Members of Schroder AsiaPacific Fund plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
	We compared the Company's investment holdings at 30 September 2020 to independent confirmations received directly from the Company's custodian and depositary, testing any reconciling items to supporting documentation.	
Incorrect valuation or ownership of the investment portfolio (as described on page 23 in the Report of the Audit and Risk Committee and as per the accounting policy set out on page 41). The valuation of the investment portfolio at 30 September 2020 was £943.80 million (2019: £799.70 million) consisting of quoted investments. The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing, or a failure to maintain proper legal title to the investments held by the Company could have a significant impact on the portfolio valuation and return generated for shareholders. The fair value of the listed investments is determined by reference to bid market price, or if bid price is unavailable, last traded price on the relevant exchange.	**We performed the following procedures:** We obtained an understanding of the Manager's and the administrator's processes surrounding pricing of listed securities by performing walkthrough procedures. For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end. We inspected the stale pricing reports produced by the administrator to identify prices that have not changed and verified whether the listed price is a valid fair value. We compared the Company's investment holdings at 30 September 2020 to independent confirmations received directly from the Company's custodian and depositary, testing any reconciling items to supporting documentation.	The results of our procedures identified no material misstatement in relation to incorrect valuation or ownership of the investment portfolio.
Risk that the going concern assumption is incorrectly applied including the consideration of the impact of COVID-19 (as described on page 23 in the Report of the Audit and Risk Committee and as per the accounting policy set out on page 41). The directors are required to determine the appropriateness of preparing the financial statements on a going concern basis. In doing so, they are obliged to consider the ability of the Company to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. They are also required to assess the adequacy of the going concern disclosures in the annual report and financial statements. In accordance with the Company's articles of association, the	**We performed the following procedures:** We inspected the directors' assessment of going concern, which includes consideration of the impact of COVID-19 and challenged the assumptions made in the preparation of the revenue and expenses forecast. We have verified the inputs and assumptions used in the assessment to historically observed results of the Company. To assess the impact of the continuation vote on going concern, we considered the current and historical performance of the Company, reviewed feedback from the Manager and broker in relation to discussions with certain shareholders about their current intentions for their continued investment in the Company and held discussions with the directors regarding	As a result of our procedures, we have determined that the directors' conclusion that there is no material uncertainty relating to going concern is appropriate. We have reviewed the disclosures relating to COVID-19 and going concern and determined that they are appropriate.

Independent Auditor's Report to the Members of Schroder AsiaPacific Fund plc

Risk	Our response to the risk	Key observations communicated to the Audit Committee
directors are required to propose a resolution that the Company continues as an investment trust every five years. The next continuation vote will be at the Annual General Meeting (the 'AGM') to be held in February 2021. There is a risk that the continuation of the Company will not be approved by shareholders at the AGM and if this happened it would mean that the application of the going concern assumption at the time of approval of the Annual Report and Financial Statements was inappropriate. The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements.	the impact the continuation vote had on their going concern assessment. We assessed the risk of breaching the debt covenants as a result of a fall in the value of the Company's portfolio. We reviewed the adequacy of the COVID-19 and going concern disclosures in the financial statements by evaluating whether they were consistent with the directors' assessment. We reviewed the disclosures for compliance with the reporting requirements.	

We re-assessed the risks determined for the prior year audit and, due to the uncertainty in global markets caused by the COVID-19 pandemic and the continuation vote at the upcoming AGM, we revised our risk assessment in the current audit to include the Key Audit Matter 'Risk that the going concern assumption is incorrectly applied including the consideration of the impact of COVID-19". Our other Key Audit Matters are unchanged from our prior year assessment for the year ended 30 September 2019.

An overview of the scope of our audit

Tailoring the scope

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

Our application of materiality

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

Materiality

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

We determined materiality for the Company to be £9.46 million (2019: £8.22 million) which is 1% of shareholders' funds. We believe that shareholders' funds provide us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

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

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% (2019: 50%) of our planning materiality, namely £7.10 million (2019: £4.11 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected. A lower threshold was set for performance materiality in the prior year due it being our first audit of the Company.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold for the revenue column of the Income Statement of £0.71 million (2019: £0.89 million) being 5% of profit before tax.

Reporting threshold

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

We agreed with the Audit and Risk Committee that we would report to them all uncorrected audit differences in excess of £0.47 million (2019: £0.41 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

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

Other information

The other information comprises the information included in the annual report set out on pages 1-31 and 55-59, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- **Fair, balanced and understandable set out on page 31** – the statement given by the directors that they consider the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
- **Audit and Risk Committee reporting set out on page 23** – the section describing the work of the Audit and Risk Committee does not appropriately address matters communicated by us to the Audit and Risk Committee; or
- **Directors' statement of compliance with the UK Corporate Governance Code set out on page 21** – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

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

Independent Auditor's Report to the Members of Schroder AsiaPacific Fund plc

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 31, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit and Risk Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to the incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital in the Income Statement. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Other matters we are required to address

- Following the recommendation of the Audit and Risk Committee we were appointed by the Company on 26 July 2019 to audit the financial statements of the Company for the year ending 30 September 2019 and subsequent financial periods. Our total uninterrupted period of engagement is 2 years, covering periods from our appointment through to the period ending 30 September 2020.

– The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting the audit.
– The audit opinion is consistent with the additional report to the audit committee.

Use of our report

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

Caroline Mercer (Senior Statutory Auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
Edinburgh

11 December 2020

Income Statement
for the year ended 30 September 2020

	Note	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Gains/(losses) on investments held at fair value through profit or loss	2	–	135,439	135,439	–	(738)	(738)
Gains on derivative contracts		–	766	766	–	2,137	2,137
Net foreign currency (losses)/gains		–	(1,085)	(1,085)	–	48	48
Income from investments	3	16,938	–	16,938	20,471	971	21,442
Other interest receivable and similar income	3	16	–	16	138	–	138
Gross return		16,954	135,120	152,074	20,609	2,418	23,027
Investment management fee	4	(1,629)	(4,885)	(6,514)	(1,596)	(4,789)	(6,385)
Administrative expenses	5	(1,102)	(10)	(1,112)	(1,069)	–	(1,069)
Net return/(loss) before finance costs and taxation		14,223	130,225	144,448	17,944	(2,371)	15,573
Finance costs	6	(22)	(65)	(87)	(78)	(232)	(310)
Net return/(loss) on ordinary activities before taxation		14,201	130,160	144,361	17,866	(2,603)	15,263
Taxation on ordinary activities	7	(948)	13	(935)	(1,276)	(525)	(1,801)
Net return/(loss) on ordinary activities after taxation		13,253	130,173	143,426	16,590	(3,128)	13,462
Return/(loss) per share	9	7.92p	77.75p	85.67p	9.90p	(1.87)p	8.03p

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 on ordinary activities after taxation is also the total comprehensive income for the year.

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

The notes on pages 41 to 54 form an integral part of these accounts.

Statement of Changes in Equity
for the year ended 30 September 2020

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Warrant exercise reserve £'000	Share purchase reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2018		16,757	100,956	3,387	8,704	31,575	646,421	17,242	825,042
Repurchase and cancellation of the Company's own shares		(10)	–	10	–	(412)	–	–	(412)
Net (loss)/return on ordinary activities		–	–	–	–	–	(3,128)	16,590	13,462
Dividend paid in the year	8	–	–	–	–	–	–	(15,910)	(15,910)
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 on ordinary activities		–	–	–	–	–	130,173	13,253	143,426
Dividend paid in the year	8	–	–	–	–	–	–	(16,245)	(16,245)
At 30 September 2020		16,682	100,956	3,462	8,704	27,946	773,466	14,930	946,146

The notes on pages 41 to 54 form an integral part of these accounts.

Statement of Financial Position at 30 September 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Investments held at fair value through profit or loss	10	**943,798**	799,703
Current assets	11		
Debtors		**6,230**	4,325
Cash at bank and in hand		**10,009**	19,438
Derivative financial instrument held at fair value through profit or loss		**–**	1,085
		16,239	24,848
Current liabilities	12		
Creditors: amounts falling due within one year		**(13,891)**	(2,316)
Derivative financial instrument held at fair value through profit or loss		**–**	(53)
Net current assets		**2,348**	22,479
Total assets less current liabilities		**946,146**	822,182
Net assets		**946,146**	822,182
Capital and reserves			
Called-up share capital	13	**16,682**	16,747
Share premium	14	**100,956**	100,956
Capital redemption reserve	14	**3,462**	3,397
Warrant exercise reserve	14	**8,704**	8,704
Share purchase reserve	14	**27,946**	31,163
Capital reserves	14	**773,466**	643,293
Revenue reserve	14	**14,930**	17,922
Total equity shareholders' funds		**946,146**	822,182
Net asset value per share	15	**567.16p**	490.94p

These accounts were approved and authorised for issue by the Board of directors on 11 December 2020 and signed on its behalf by:

Nicholas Smith
Chairman

The notes on pages 41 to 54 form an integral part of these accounts.

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

Company registration number: 03104981

Notes to the Accounts

1. Accounting Policies

(a) Basis of accounting

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

The accounts are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), in particular in accordance with Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (the "SORP") issued by the Association of Investment Companies in October 2019. All of the Company's operations are of a continuing nature.

The accounts 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 for at least 12 months from the date of approval of these accounts. In forming this opinion, the directors have taken into consideration: the controls and monitoring processes in place; the Company's low level of debt and other payables; the low level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; and that the Company's assets comprise cash and readily realisable securities quoted in active markets.

The Company has not presented a statement of cash flows, as it is not required for an investment trust which meets certain conditions.

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

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 September 2019.

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

(b) Valuation of investments

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

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.

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

(c) Accounting for reserves

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

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

The cost of repurchasing shares, including the related stamp duty and transactions costs, is charged to "Share repurchase reserve".

(d) Income

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

Overseas dividends are included gross of any withholding tax.

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

Notes to the Accounts

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

(e) Expenses

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

– The management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.

– Expenses incidental to the purchase or sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transaction costs are given in note 10 on page 45.

(f) Finance costs

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

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

(g) Financial instruments

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

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

Bank loans and overdrafts are initially measured at fair value and subsequently at amortised cost. They are recorded at the proceeds received net of direct issue costs.

Forward foreign currency contracts are held at fair value through profit or loss based on the gain or loss if the contracts had been closed out at the accounting date, at prevailing market rates.

(h) Taxation

Current tax is provided at the amounts expected to be received or paid.

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

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

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

(i) Value added tax ("VAT")

Expenses are disclosed inclusive of any related irrecoverable VAT.

(j) Foreign currency

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

Transactions denominated in foreign currencies are converted at actual exchange rates as at the date of the transaction. Monetary assets, liabilities and equity investments held at fair value, denominated in foreign currencies at the year end are translated at the rates of exchange prevailing at 1600 hours on the accounting date.

(k) Dividends payable

In accordance with FRS 102, the final dividend is included in the accounts in the year in which it is paid.

Notes to the Accounts

(l) Repurchases of shares for cancellation

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

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

	2020 £'000	2019 £'000
Gains on sales of investments based on historic cost	**22,688**	32,819
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	**(18,796)**	(37,293)
Gains/(losses) on sales of investments based on the carrying value at the previous balance sheet date	**3,892**	(4,474)
Net movement in investment holding gains and losses	**131,547**	3,736
Gains/(losses) on investments held at fair value through profit or loss	**135,439**	(738)

3. Income

	2020 £'000	2019 £'000
Income from investments:		
Overseas dividends	**13,770**	19,060
UK dividends	**3,168**	1,411
	16,938	20,471
Other interest receivable and similar income:		
Deposit interest	**16**	138
	16,954	20,609
Capital:		
Special dividend allocated to capital	**–**	971

4. Investment management fee

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Management fee	**1,629**	**4,885**	**6,514**	1,596	4,789	6,385

The basis for calculating the investment management fee is set out in the Directors Report on page 20.

5. Administrative expenses

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Administration expenses	**762**	**10**	**772**	773	–	773
Directors' fees[1]	**201**	**–**	**201**	167	–	167
Company secretarial fee	**109**	**–**	**109**	106	–	106
Auditor's remuneration for audit services	**30**	**–**	**30**	23	–	23
	1,102	**10**	**1,112**	1,069	–	1,069

[1]Full details are given in the Directors' Remuneration report on pages 28 to 30.

6. Finance costs

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Interest on bank loans and overdrafts	22	65	87	78	232	310

7. Taxation on ordinary activities

(a) Analysis of tax charge for the year

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Irrecoverable overseas withholding tax	948	–	948	1,276	–	1,276
Overseas capital gains tax	–	(13)	(13)	–	525	525
Taxation on ordinary activities	948	(13)	935	1,276	525	1,801

The Company has no corporation tax liability for the year ended 30 September 2020 (2019: nil).

(b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2019: lower) than the Company's applicable rate of corporation tax for the year of 19.0% (2019: 19.0%) .

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

	2020 Revenue £'000	2020 Capital £'000	2020 Total £'000	2019 Revenue £'000	2019 Capital £'000	2019 Total £'000
Net return on ordinary activities before taxation	14,201	130,160	144,361	17,866	(2,603)	15,263
Net return on ordinary activities before taxation multiplied by the Company's applicable rate of corporation tax for the year of 19.0% (2019: 19.0%)	2,698	24,731	27,429	3,394	(495)	2,899
Effects of:						
Capital returns on investments	–	(25,674)	(25,674)	–	(275)	(275)
Income not chargeable to corporation tax	(2,914)	–	(2,914)	(3,764)	(184)	(3,948)
Irrecoverable overseas withholding tax	948	–	948	1,276	–	1,276
Overseas capital gains tax	–	(13)	(13)	–	525	525
Tax relief on overseas tax suffered	(4)	–	(4)	–	–	–
Expenses disallowed	–	2	2	–	–	–
Unrelieved expenses	220	941	1,161	370	954	1,324
Taxation on ordinary activities	948	(13)	935	1,276	525	1,801

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £10,291,000 (2019: £8,168,000) based on a main rate of corporation tax of 19% (2019: 17%). At Budget 2020, the government announced that the main rate of corporation tax would remain at 19% for fiscal years beginning on 1 April 2020 and 2021.

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

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

Notes to the Accounts

8. Dividends

Dividends paid and proposed

	2020 £'000	2019 £'000
2019 final dividend of 9.70p (2018: 9.50p) paid out of revenue profits	**16,245**	15,910

	2020 £'000	2019 £'000
2020 final dividend proposed of 8.00p (2019: 9.70p) to be paid out of revenue profits	**13,346**	16,245

The proposed final dividend amounting to £13,346,000 (2019: £16,245,000) is the amount used for the basis of determining whether the Company has satisfied the distribution requirements of section 1158 of the Corporation Tax Act 2010. The revenue available for distribution for the year is £13,253,000 (2019: £16,590,000).

9. Return/(loss) per share

	2020 £'000	2019 £'000
Revenue return	**13,253**	16,590
Capital return/(loss)	**130,173**	(3,128)
Total return	**143,426**	13,462
Weighted average number of shares in issue during the year	**167,417,847**	167,491,812
Revenue return per share	**7.92p**	9.90p
Capital return/(loss) per share	**77.75p**	(1.87)p
Total return per share	**85.67p**	8.03p

10. Investments held at fair value through profit or loss*

	2020 £'000	2019 £'000
Opening book cost	**637,308**	655,079
Opening investment holding gains	**162,395**	195,952
Opening fair value	**799,703**	851,031
Purchases at cost	**359,384**	358,549
Sales proceeds	**(350,728)**	(409,139)
Gains/(losses) on investments held at fair value	**135,439**	(738)
Closing fair value	**943,798**	799,703
Closing book cost	**668,653**	637,308
Closing investment holding gains	**275,145**	162,395
Closing fair value	**943,798**	799,703

Sales proceeds amounting to £350,728,000 (2019: £409,139,000) were receivable from disposals of investments in the year. The book cost of these invesments when they were purchased was £328,039,000 (2019: £376,320,000). These investments have been revalued over time and until they were sold any unrealised gains and losses were included in the fair value of the investments.

*Note10, including the prior year, has been updated in accordance with the presentational guidance set out in the Statement of Recommended Practice (SORP) for Investment Trusts issued by the Association of Investment Companies (AIC) in October 2019.

Financial

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

	2020 £'000	2019 £'000
On acquisitions	**517**	429
On disposals	**497**	843
	1,014	1,272

11. Current assets

	2020 £'000	2019 £'000
Debtors		
Securities sold awaiting settlement	**4,273**	1,276
Dividends and interest receivable	**1,726**	2,821
Taxation recoverable	**221**	210
Other debtors	**10**	18
	6,230	4,325

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

Cash at bank and in hand

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

Derivative financial instrument held at fair value through profit or loss

The derivative contract at the prior year end comprised one contract to purchase US dollars 51.1 million for South Korean won 59.6 billion, for settlement on 17 October 2019.

12. Current liabilities

Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Bank loan	**11,603**	–
Securities purchased awaiting settlement	**51**	–
Other creditors and accruals	**2,237**	2,316
	13,891	2,316

The bank loan comprises US dollars 15 million (£11.6 million) drawn down on the Company's £100 million credit facility available from Sumitomo Mitsui Banking Corporation Europe Limited ("SMBC"). This facility replaced a similar arrangement with Scotiabank Europe plc, which was undrawn at the prior year end and which expired on 24 April 2020.

The facility is unsecured, but is subject to a covenant which requires that total borrowings should not exceed total assets, at any time. Further details of the facility are given in note 19(a)(ii) on page 51.

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

Derivative financial instrument held at fair value through profit or loss

The derivative contract at the prior year end comprised one contract to purchase US dollars 37.6 million for Chinese yuan 269.2 million, for settlement on 12 December 2019.

Notes to the Accounts

13. Called-up share capital

	2020 £'000	2019 £'000
Ordinary shares allotted, called up and fully paid:		
Ordinary shares of 10p each:		
Opening balance of 167,470,716 (2019: 167,570,716) shares	**16,747**	16,757
Repurchase and cancellation of 650,000 (2019: 100,000) shares	**(65)**	(10)
Closing balance of 166,820,716 (2019: 167,470,716) shares	**16,682**	16,747

During the year, the Company made market purchases of 650,000 of its own shares, nominal value £65,000, for cancellation, representing 0.39% of the shares outstanding at the beginning of the year. The total consideration paid for these shares amounted to £3,217,000. The reason for these purchases was to seek to manage the volatility of the share price discount to NAV per share.

14. Reserves

					Capital reserves		
	Share premium[1] £'000	Capital redemption reserve[2] £'000	Warrant exercise reserve[3] £'000	Share purchase reserve[4] £'000	Gains and losses on sales of investments[5] £'000	Investment holding gains and losses[6] £'000	Revenue reserve[7] £'000
Opening balance	100,956	3,397	8,704	31,163	480,171	163,122	17,922
Gains on sales of investments based on the carrying value at the previous balance sheet date	–	–	–	–	3,892	–	–
Net movement in investment holding gains and losses	–	–	–	–	–	131,547	–
Transfer on disposal of investments	–	–	–	–	18,796	(18,796)	–
Gains on derivative contracts	–	–	–	–	766	–	–
Realised exchange losses on cash and short-term deposits	–	–	–	–	(1,193)	–	–
Exchange (losses)/gains on the credit facility	–	–	–	–	(266)	374	–
Overseas capital gains tax	–	–	–	–	(201)	214	–
Management fee, administrative expenses and finance costs allocated to capital	–	–	–	–	(4,960)	–	–
Repurchase and cancellation of the Company's own shares	–	65	–	(3,217)	–	–	–
Dividend paid	–	–	–	–	–	–	(16,245)
Retained revenue for the year	–	–	–	–	–	–	13,253
Closing balance	100,956	3,462	8,704	27,946	497,005	276,461	14,930

The Company's articles of association permit dividend distributions out of realised capital profits.

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

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

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

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

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

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

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

15. Net asset value per share

	2020	2019
Net assets attributable to shareholders (£'000)	946,146	822,182
Shares in issue at the year end	166,820,716	167,470,716
Net asset value per share	567.16p	490.94p

16. Transactions with the Manager

Under the terms of the AIFM Agreement, the Manager is entitled to receive a management fee and a company secretarial fee. Details of the basis of the management fee calculation are given in the Directors' Report on pages 20 and 21. Any investments in funds managed or advised by the Manager or any of its associated companies, are excluded from the assets used for the purpose of the calculation and therefore incur no fee.

The management fee payable in respect of the year ended 30 September 2020 amounted to £6,514,000 (2019: £6,385,000), of which £1,814,000 (2019: £1,577,000) was outstanding at the year end. The company secretarial fee payable in respect of the year ended 30 September 2020 amounted to £109,000 (2019: £106,000), of which £27,000 (2019: £27,000) was outstanding at the year end.

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

17. Related party transactions

Details of the remuneration payable to directors are given in the Directors' Remuneration Report on page 29 and details of directors' shareholdings are given in the Directors' Remuneration Report on page 30. Details of transactions with the Manager are given in note 16 above. There have been no other transactions with related parties during the year (2019: nil).

18. Disclosures regarding financial instruments measured at fair value

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

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

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

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

Level 3 – valued using inputs that are unobservable.

Details of the Company's policy for valuing investments and derivative instruments are given in note 1(b) on page 41 and 1(g) on page 42.

At 30 September 2020, the Company's investment portfolio was categorised as follows:

	2020			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities and equity linked securities	943,798	–	–	943,798
Total	943,798	–	–	943,798

	2019			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments in equities and equity linked securities	799,703	–	–	799,703
Derivative financial instruments – forward currency contracts	–	1,032	–	1,032
Total	799,703	1,032	–	800,735

There have been no transfers between Levels 1, 2 or 3 during the year (2019: nil).

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

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

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

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

– investments in shares, warrants, depositary receipts and government bonds which are held in accordance with the Company's investment objective;

– short-term debtors, creditors and cash arising directly from its operations;

– a multi-currency overdraft facility with HSBC Bank plc, the purpose of which is to assist in financing the Company's operations;

– a multi-currency revolving credit facility with Sumitomo Mitsui Banking Corporation Europe Limited ("SMBC"), the purpose of which is to assist in financing the Company's operations; and

– forward foreign currency contracts, the purpose of which is to manage the currency risk arising from the Company's investment activities.

(a) Market risk

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

(i) Currency risk

Certain 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 accounts. As a result, movements in exchange rates will affect the sterling value of those items.

Management of currency risk

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

Foreign currency exposure

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

Notes to the Accounts

2020	Hong Kong Dollars £'000	US Dollars £'000	South Korean Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Chinese Yuan £'000	Other £'000	Total £'000
Current assets	5,092	1,848	610	668	371	–	19	3,301	211	12,120
Current liabilities										
Creditors: amounts falling due within one year	–	(11,604)	(135)	(99)	–	–	(71)	(21)	–	(11,930)
Foreign currency exposure on net monetary items	5,092	(9,756)	475	569	371	–	(52)	3,280	211	190
Investments held at fair value through profit or loss[1]	384,364	73,332	139,023	121,955	26,969	–	73,282	13,467	49,642	882,034
Total net foreign currency exposure	389,456	63,576	139,498	122,524	27,340	–	73,230	16,747	49,853	882,224

2019	Hong Kong Dollars £'000	US Dollars £'000	South Korean Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Chinese Yuan £'000	Other £'000	Total £'000
Current assets	1,130	5,974	453	639	425	–	2,618	8,279	243	19,761
Current liabilities										
Creditors: amounts falling due within one year	–	–	(68)	(95)	–	–	(307)	(19)	–	(489)
Derivative instruments held at fair value through profit or loss – forward currency contracts	–	71,899	(40,389)	–	–	–	–	(30,478)	–	1,032
Foreign currency exposure on net monetary items	1,130	77,873	(40,004)	544	425	–	2,311	(22,218)	243	20,304
Investments held at fair value through profit or loss[1]	287,140	117,191	93,295	85,600	41,220	20,922	75,232	8,410	28,554	757,564
Total net foreign currency exposure	288,270	195,064	53,291	86,144	41,645	20,922	77,543	(13,808)	28,797	777,868

[1]Excluding any stock prices in sterling.

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

Foreign currency sensitivity

The following tables illustrate the sensitivity of net profit for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each accounting date and assumes a 10% (2019: 10%) appreciation or depreciation in sterling against all the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

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

	2020 £'000	2019 £'000
Income Statement – return after taxation		
Revenue return	1,280	1,771
Capital return	14	1,955
Total return after taxation	1,294	3,726
Net assets	1,294	3,726

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

	2020 £'000	2019 £'000
Income Statement – return after taxation		
Revenue return	**(1,280)**	(1,771)
Capital return	**(14)**	(1,955)
Total return after taxation	**(1,294)**	(3,726)
Net assets	**(1,294)**	(3,726)

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

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings when interest rates are re-set. The fair value of any government bonds held in the Company's portfolio may be affected by interest rate movements or the expectation of such movements in the future. However, it is not possible to assess the impact of interest rate movements on the value of these investments accurately and therefore the exposure would be included in market price risk sensitivity in part (iii) to this note.

Management of interest rate risk

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

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

Interest rate exposure

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

	2020 £'000	2019 £'000
Exposure to floating interest rates:		
Cash at bank and in hand	**10,009**	19,438
Creditors: amounts falling due within one year – borrowings on the credit facility	**(11,603)**	–
Net exposure	**(1,594)**	19,438

Interest receivable on cash balances is at a margin below LIBOR (2019: same).

During the year, the Company arranged a £100 million credit facility with SMBC. Interest is payable at a rate of LIBOR as quoted in the market for the loan period plus a margin, plus mandatory costs, which are the lender's cost of complying with certain regulatory requirements of the Bank of England. Amounts are normally drawn down on the facility for one month periods. At 30 September 2020, the Company had drawn down US dollars 15 million (£11.6 million) for a one month period at an interest rate of 0.80% per annum. This facility replaced a similar arrangement with Scotiabank, which expired on 24 April 2020. The facility was undrawn at the prior year end.

The Company also has a £30 million overdraft facility with HSBC Bank plc, secured by a floating charge, but which was not utilised during the current or comparative year.

Notes to the Accounts

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 cash/(debt) balances during the year are as follows:

	2020 £'000	2019 £'000
Maximum debit/minimum credit interest rate exposure during the year – net (debt)/cash	(6,622)	1,700
Maximum credit interest rate exposure during the year – net cash	27,753	52,601

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 0.5% (2019: 0.5%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the accounting date with all other variables held constant.

	2020		2019	
	0.5% increase in rate £'000	0.5% decrease in rate £'000	0.5% increase in rate £'000	0.5% decrease in rate £'000
Income statement – return after taxation				
Revenue return	36	(36)	97	(97)
Capital return	(44)	44	–	–
Total return after taxation	(8)	8	97	(97)
Net assets	(8)	8	97	(97)

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, other than those arising from interest rate risk, which may affect the value of investments.

Management of market price risk

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

Market price risk exposure

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

	2020 £'000	2019 £'000
Investments held at fair value through profit or loss	943,798	799,703

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 pages 8 and 9. This shows that the portfolio comprises investments trading in Asian countries. Accordingly there is a concentration of exposure to that region.

Market price risk sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 20% (2019: 20%) in the fair values of the Company's investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's investments and adjusting for the change in the management fee, but with all other variables held constant.

	2020		2019	
	20% increase in fair value £'000	20% decrease in fair value £'000	20% increase in fair value £'000	20% decrease in fair value £'000
Income statement – return after taxation				
Revenue return	(354)	354	(300)	300
Capital return	187,698	(187,698)	159,041	(159,041)
Total return after taxation and net assets	187,344	(187,344)	158,741	(158,741)
Percentage change in net asset value	19.8%	(19.8%)	19.3%	(19.3%)

(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 to meet funding requirements if necessary. Short-term flexibility is achieved through the use of a credit facility and an overdraft facility.

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

Liquidity risk exposure

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

	Three months or less 2020 £'000	Three months or less 2019 £'000
Creditors: amounts falling due within one year		
Bank loan – including interest	11,610	–
Securities purchased awaiting settlement	51	–
Other creditors and accruals	2,237	2,316
Derivative financial instrument held at fair value through profit or loss	–	53
	13,898	2,369

(c) Credit risk

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

Management of credit risk

This risk is not significant and is managed as follows:

Portfolio dealing

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

Exposure to the Custodian

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

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

Credit risk exposure

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

(d) Fair values of financial assets and financial liabilities

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

20. 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:

	2020 £'000	2019 £'000
Debt		
Bank loan	11,603	–
Equity		
Called-up share capital	16,682	16,747
Reserves	929,464	805,435
	946,146	822,182
Total debt and equity	957,749	822,182

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

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

	2020 £'000	2019 £'000
Borrowings used for investment purposes, less cash	1,594	(19,438)
Net assets	946,146	822,182
Gearing/(net cash)	0.2%	(2.4%)

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 opportunity for issue of new shares; and
- the amount of dividends to be paid, in excess of that which is required to be distributed.

Annual General Meeting – Recommendations

The Annual General Meeting ("AGM") of the Company will be held on Wednesday, 3 February 2021 at 12.00 noon. The formal Notice of Meeting is set out on page 56.

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.

COVID-19 and the AGM

Owing to the continuing restrictions relating to meetings due to the COVID-19 pandemic, shareholders are asked to cast their votes by proxy. To ensure the safety and security of our shareholders, service providers, officers and guests, shareholders are asked to comply with Government requirements and guidelines relating to travelling and meetings. Shareholders are encouraged to vote by proxy, appointing the chair of the meeting as their proxy.

Ordinary business

Resolutions 1 to 8 and 10 and 11 are all ordinary resolutions. Resolution 1 is a required resolution. Resolution 2 invites shareholders to approve the final dividend. Resolution 3 concerns the Directors' Remuneration Report, on pages 28 to 31. Resolutions 4 to 8 invite shareholders to re-elect each of the directors for another year, except for Mr Smith who is not standing for re-election, following the recommendations of the nomination committee, set out on pages 26 and 27 (their biographies are set out on pages 18 and 19). Resolutions 10 and 11 concern the re-appointment and remuneration of the Company's auditor, discussed in the Audit and Risk Committee Report on pages 23 and 25.

Special business

Resolution 9: Continuation (ordinary resolution)

In accordance with the Company's articles of association, the directors are required to put forward a proposal for the continuation of the Company to shareholders at five yearly intervals. The Board considers that the long-term investment objectives of the Company remain appropriate and that the current Manager remains well placed to continue to deliver them over the long-term. An ordinary resolution will therefore be proposed at the AGM to agree that the Company should continue as an investment trust for a further five year period.

Resolution 12 – directors' authority to allot shares (ordinary resolution) and resolution 13 – power to disapply pre-emption rights (special resolution)

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

Appropriate resolutions will be proposed at the forthcoming AGM and are set out in full in the Notice of AGM. An ordinary resolution will be proposed to authorise the directors to allot shares up to a maximum aggregate nominal amount of £1,668,207 (being 10% of the issued share capital (excluding any shares held in treasury) as at the date of the Notice of the AGM). A special resolution will also be proposed to give the directors authority to allot securities for cash on a non pre-emptive basis up to a maximum aggregate nominal amount of £1,668,207 (being 10% of the Company's issued share capital (excluding any shares held in treasury) as at the date of the Notice of the AGM). This authority includes shares that the Company sells or transfers that have been held in treasury. The board has established guidelines for treasury shares and will only reissue shares held in treasury at a price equal to or greater than the Company's net asset value (inclusive of current year income) plus any applicable costs.

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

If approved, both of these authorities will expire at the conclusion of the AGM in 2022 unless renewed, varied or revoked earlier.

Resolution 14: Authority to make market purchases of the Company's own shares (special resolution)

At the AGM held on 30 January 2020, the Company was granted authority to make market purchases of up to 25,103,860 ordinary shares of 10p each for cancellation or holding in treasury. 650,000 shares have been bought back into treasury under this authority and the Company therefore has remaining authority to purchase up to 24,453,860 ordinary shares. This authority will expire at the forthcoming AGM.

The directors believe it is in the best interests of the Company and its shareholders to have a general authority for the Company to buy back its ordinary shares in the market as they keep under review the share price discount to net asset value and the purchase of ordinary shares. A special resolution will be proposed at the forthcoming AGM to give the Company authority to make market purchases of up to 14.99% of the ordinary shares in issue as at the date of the Notice of the AGM. The directors will exercise this authority only if the directors consider that any purchase would be for the benefit of the Company and its shareholders, taking into account relevant factors and circumstances at the time. Any shares so purchased would be cancelled or held in treasury for potential reissue. If renewed, the authority to be given at the 2021 AGM will lapse at the conclusion of the AGM in 2022 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 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 AsiaPacific Fund plc will be held at 1 London Wall Place, London EC2Y 5AU on Wednesday, 3 February 2021 at 12.00 noon to consider the following resolutions of which resolutions 1 to 12 will be proposed as ordinary resolutions and resolutions 13 and 14 will be proposed as special resolutions:

1. To receive the Report of the Directors and the audited accounts for the year ended 30 September 2020.
2. To approve a final dividend of 8.00 pence per share for the financial year ended 30 September 2020.
3. To approve the Directors' Remuneration Report for the year ended 30 September 2020.
4. To re-elect Keith Craig as a director of the Company.
5. To re-elect Vivien Gould as a director of the Company.
6. To re-elect Rosemary Morgan as a director of the Company.
7. To re-elect Martin Porter as a director of the Company.
8. To re-elect James Williams as a director of the Company.

9 To consider, and if thought fit, to pass the following resolution as an ordinary resolution: "THAT in accordance with the articles of association, the Company should continue as an investment trust for a further five years".

10. To re-appoint Ernst & Young LLP as auditor to the Company until the conclusion of the next Annual General Meeting.
11. To authorise the directors to determine the remuneration of Ernst & Young LLP as auditor to the Company.
12. To consider, and if thought fit, pass the following resolution as an ordinary resolution:
    "THAT the directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot relevant securities (within the meaning of section 551 of the Act) up to an aggregate nominal amount of £1,668,207 (being 10% of the issued ordinary share capital at the date of this Notice) for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company, but that the Company may make an offer or agreement which would or might require relevant securities to be allotted after expiry of this authority and the Board may allot relevant securities in pursuance of that offer or agreement."
13. To consider and, if thought fit, to pass the following resolution as a special resolution:
    "THAT, subject to the passing of resolution 12 set out above, the directors be and are hereby empowered, pursuant to Section 571 of the Act, to allot equity securities (including any shares held in treasury) (as defined in section 560(1) of the Act) pursuant to the authority given in accordance with section 551 of the Act by the said resolution 12 and/or where such allotment constitutes an allotment of equity securities by virtue of section 560(2) of the Act as if Section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities up to an aggregate nominal amount of £1,668,207 (representing 10% of the aggregate nominal amount of the share capital in issue at the date of this Notice); and provided that this power shall expire at the conclusion of the next Annual General Meeting of the Company but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry."
14. To consider and, if thought fit, to pass the following resolution as a special resolution:
    "THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693 of the Act) of ordinary shares of 10p each in the capital of the Company ("Shares") at whatever discount the prevailing market price represents to the prevailing net asset value per Share provided that:
    (a) the maximum number of Shares which may be purchased is 25,006,425, representing 14.99% of the Company's issued ordinary share capital as at the date of this Notice;
    (b) the maximum price (exclusive of expenses) which may be paid for a Share shall not exceed the higher of;
        i) 105% of the average of the middle market quotations for the Shares as taken from the London Stock Exchange Daily Official List for the five business days preceding the date of purchase; and
        ii) the higher of the last independent bid and the highest current independent bid on the London Stock Exchange;
    (c) the minimum price (exclusive of expenses) which may be paid for a Share shall be 10p, being the nominal value per Share;
    (d) this authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company in 2022 (unless previously renewed, varied or revoked by the Company prior to such date);
    (e) the Company may make a contract to purchase Shares under the authority hereby conferred which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and
    (f) any Shares so purchased will be cancelled or held in treasury for potential reissue."

By order of the Board
For and on behalf of
Schroder Investment Management Limited
Registered Number: 03104981

11 December 2020

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

Explanatory Notes to the Notice of Meeting

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

   A proxy form is attached. If you wish to appoint a person other than the Chairman as your proxy, please insert the name of your chosen proxy holder in the space provided at the top of the form. If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). Additional proxy forms can be obtained by contacting the Company's Registrars, Equiniti Limited, on 0800 032 0641 or +44(0) 121 415 0207 for overseas callers, or you may photocopy the attached proxy form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by ticking the box provided if the proxy instruction is one of multiple instructions being given. Completion and return of a form of proxy will not preclude a member from attending the Annual General Meeting and voting in person.

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

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

   A proxy form must be signed and dated by the shareholder or his or her attorney duly authorised in writing. In the case of joint holdings, any one holder may sign this form. The vote of the senior joint holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder and for this purpose seniority will be determined by the order in which the names appear on the Register of Members in respect of the joint holding. To be valid, proxy form(s) must be completed and returned to the Company's Registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, in the enclosed envelope together with any power of attorney or other authority under which it is signed or a copy of such authority certified notarially, to arrive no later than 48 hours before the time fixed for the meeting, or an adjourned meeting. Shareholders may also appoint a proxy to vote on the resolutions being put to the meeting electronically at www.sharevote.co.uk. Shareholders who are not registered to vote electronically, will need to enter the Voting ID and Shareholder Reference ID set out in their personalised proxy form. Alternatively, shareholders who have already registered with Equiniti's Shareview service can appoint a proxy by logging onto their portfolio at www.shareview.co.uk and clicking on the link to vote. The on-screen instructions give details on how to complete the appointment process. Please note that to be valid, your proxy instructions must be received by Equiniti no later than 12.00 noon on 1 February 2021. If you have any difficulties with online voting, you should contact the shareholder helpline on 0800 032 0641 (or +44(0) 121 415 0207 for overseas callers).

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

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

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

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

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

3. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those shareholders registered in the Register of members of the Company at 6.30 p.m. on 1 February 2021, or 6.30 p.m. two days prior to the date of an adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the Register of Members after 6.30 p.m. on 1 February 2021 shall be disregarded in determining the right of any person to attend and vote at the meeting.

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. The CREST manual can be viewed at www.euroclear.com. A CREST message appointing a proxy (a "CREST proxy instruction") regardless of whether it constitutes the appointment of a proxy or an

Explanatory Notes to the Notice of Meeting

amendment to the instruction previously given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time for receipt of proxy appointments.

5. Copies of the articles of association, terms of appointment of the non-executive directors and a statement of all transactions of each director and of his family interests in the shares of the Company, will be available for inspection by any member of the Company at the registered office of the Company during normal business hours on any weekday (English public holidays excepted) and at the Annual General Meeting by any attendee, for at least 15 minutes prior to, and during, the Annual General Meeting. None of the directors has a contract of service with the Company.

6. The biographies of the directors offering themselves for re-election are set out on pages 18 and 19 of the Company's annual report and accounts for the year ended 30 September 2020.

7. As at 10 December 2020, 166,820,716 ordinary shares of 10 pence each were in issue (no shares were held in treasury). Therefore the total number of voting rights of the Company as at 10 December 2020 was 166,820,716.

8. A copy of this Notice of Meeting, which includes details of shareholder voting rights, together with any other information as required under Section 311A of the Companies Act 2006, is available from the webpages dedicated to the Company: www.schroders.co.uk/asiapacific.

9. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the Annual General Meeting any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

10. Members satisfying the thresholds in section 527 of the Companies Act 2006 can require the Company to publish a statement on its website setting out any matter relating to:

    (a) the audit of the Company's Accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Meeting; or

    (b) any circumstance connected with an auditor of the Company ceasing to hold office since the last AGM, that the members propose to raise at the Meeting. The Company cannot require the members requesting the publication to pay its expenses. Any statement placed on the website must also be sent to the Company's auditors no later than the time it makes its statement available on the website. The business which may be dealt with at the meeting includes any statement that the Company has been required to publish on its website.

11. The Company's privacy policy is available on its webpages.

Definitions of Terms and Performance Measures

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 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 567.16p (2019: 490.94) represents the net assets attributable to equity shareholders of £946,146,000 (2019: £822,182,000) divided by the number of shares in issue of 166,820,716 (2019: 167,470,716).

The change in the NAV amounted to +15.5% (2019: +1.8%) 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 combined effect of any dividends paid, together with the rise or fall in the share price or NAV per share. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either the assets of the Company at its NAV per share at the time the shares were quoted ex-dividend (to calculate the NAV per share total return) or in additional shares of the Company (to calculate the share price total return).

The NAV total return for the year ended 30 September 2020 is calculated as follows:

Opening NAV at 30/9/19	490.94p
Closing NAV at 30/9/20	567.16p

Dividend received	XD date	NAV on XD date	Factor
9.7p	2/1/20	509.53p	1.019

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage change in the opening NAV:	17.7%

The NAV total return for the year ended 30 September 2019 is calculated as follows:

Opening NAV at 30/9/18	492.35p
Closing NAV at 30/9/19	490.94p

Dividend received	XD date	NAV on XD date	Factor
9.5p	27/12/2018	443.23p	1.021

NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage change in the opening NAV:	1.8%

The share price total return for the year ended 30 September 2020 is calculated as follows

Opening share price at 30/9/19	435.00p
Closing share price at 30/9/20	510.00p

Dividend received	XD date	Share price on XD date	Factor
9.7p	2/1/20	469.00p	1.021

Share price total return, being the closing share price, multiplied by the factor, expressed as a percentage change in the opening share price:	19.7%

The share price total return for the year ended 30 September 2018 is calculated as follows

Opening share price at 30/9/18	430.00p
Closing share price at 30/9/19	435.00p

Dividend received	XD date	Share price on XD date	Factor
9.5p	27/12/2018	395.00p	1.024

Share price total return, being the closing share price, multiplied by the factor, expressed as a percentage change in the opening share price:	3.6%

Benchmark Index

The measure against which the Company compares its performance, which is deemed to be the most appropriate comparison and which is used for management information purposes. The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted, and prior to 31 January 2011 the benchmark was the MSCI All Countries Far East excluding Japan Index, sterling adjusted.

Discount/premium

The amount by which the share price of an investment trust is lower (discount) or higher (premium) than the NAV per share. The discount or premium is expressed as a percentage of the NAV per share. The discount at the year end amounted to 10.1% (2019: 11.4%), as the closing share price at 510.00p (2019: 435.00p) was 10.1% (2019: 11.4%) lower than the closing NAV of 567.16p (2019: 490.94p).

Gearing

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

Definitions of Terms and Performance Measures

calculated is negative, this is shown as a "Net cash" position. The gearing figure at the year end is calculated as follows:

	2020 £'000	2019 £'000
Borrowings used for investment purposes, less cash	**1,594**	(19,438)
Net assets	**946,146**	822,182
Gearing/(net cash)	**0.2%**	(2.4)%

Ongoing Charges

Ongoing Charges represents the management fee and all other operating expenses excluding finance costs and transaction costs amounting to £7,626,000 (2019: £7,454,000), expressed as a percentage of the average daily net asset values during the year of £844,380,000 (2019: £803,121,000).

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.

Shareholder Information

Webpages and share price information

The Company has dedicated webpages, which may be found at www.schroders.co.uk/asiapacific. The webpages are the Company's primary method of electronic communication with shareholders. They contain details of the Company's ordinary share price and copies of the 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, Equiniti's shareview service 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.

Association of Investment Companies

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

Individual Savings Account ("ISA") status

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

Non-Mainstream Pooled Investments status

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

Financial calendar

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

Alternative Investment Fund Managers ("AIFM") Directive

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

Leverage

The Company's leverage policy and details of its leverage ratio calculation and exposure limits as required by the AIFM Directive are published on the Company's webpages and within this report. The Company is also required to publish periodically its actual leverage exposures. As at 30 September 2020 these were:

Leverage exposure	Maximum ratio	Actual ratio
Gross method	2.00	1.02
Commitment method	2.00	1.02

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 also be found in the Company's AIFM Directive 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 Products ("PRIIPs") 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.

www.schroders.co.uk/asiapacific

Directors

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

Advisers

Alternative Investment Fund Manager (the "Manager")

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

Investment Manager and Company Secretary

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1 London Wall Place
London EC2Y 5AU
Telephone: 020 7658 3847

Registered Office

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London EC2Y 5AU

Depositary and Custodian

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London E14 5HQ

Lending Bank

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London EC4V 4EH

Corporate Broker

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The London Stock Exchange Building
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London EC4M 7LT

Independent auditor

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Atria One
144 Morrison Street
Edinburgh EH3 8EX

Registrars

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA
Shareholder Helpline: 0800 032 0641*
Website: www.shareview.co.uk

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

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

Shareholder enquiries

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

Dealing Codes

ISIN: GB0007918872
SEDOL: 0791887
Ticker: SDP

Global Intermediary Identification Number (GIIN)

SWLQRM.99999.SL.826

Legal Entity Identifier (LEI)

549300A71N7LE35KWU14

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

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