Schroders

Schroder Asian Total Return Investment Company plc

Half year report and accounts for the six months ended 30 June 2020

Investment objective

Schroder Asian Total Return Investment Company plc seeks to provide a high rate of total return through investment in equities and equity-related securities of companies trading in the Asia Pacific region (excluding Japan). The Company seeks to offer a degree of capital preservation through tactical use of derivative instruments.

Investment policy

The Company invests principally in a diversified portfolio of 40-70 companies operating primarily in Asia, including Australasia but excluding Japan. It is intended that the Company will have a bias to investing in small and mid cap companies.

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 Company will focus on investing in companies with sound balance sheets, professional management and capital allocation policies that are aligned with the interests of minority shareholders.

The use of derivatives to protect the capital value of the portfolio or for efficient portfolio management is fundamental to the strategy of the Company's portfolio managers. Such derivatives may include listed futures, call options, long puts, OTC instruments and instruments to hedge currency exposure with board approval. The board will monitor the effectiveness of the underlying process and the use of derivatives.

In order to obtain further exposure to equity indices or individual stocks, the Company may enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. In extreme circumstances, and subject to board approval, the majority, or even all, of the Company's assets could be held in cash or near cash instruments, with appropriate diversification of cash held on deposit.

The Company may use gearing to enhance performance but net gearing will not exceed 30% of net asset value.

The Company does not tie its portfolio construction to the constituents of any benchmark; instead, the size of stock positions are set on an absolute basis reflecting where the best potential risk adjusted returns are to be found.

Contents

Financial Highlights and Long-Term Performance Record

Total returns for the six months ended 30 June 2020[1]

+6.1%
Net asset value ("NAV") per share total return[2]

+1.8%
Share price total return[3]

+0.7%
Reference Index[4]

+3.1%
Peer group NAV per share total return[2,5]

Long-term performance

Total returns to 30 June 2020[1]	6 months %	1 year %	3 years %	5 years %	10 years %
NAV per share[2]	6.1	6.8	27.6	96.0	146.7
Share price[3]	1.8	1.8	24.1	105.5	166.2
Reference Index[4]	0.7	2.7	15.7	57.1	101.6
Peer group NAV per share[2,5]	3.1	4.5	20.4	71.8	147.6

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

[2] Source: Morningstar. Fully diluted NAVs have been used where applicable.

[3] Source: Morningstar.

[4] Source: Thomson Reuters. With effect from 15 March 2013, the Reference Index has been the MSCI AC Asia Pacific ex-Japan Index (with net income reinvested), sterling adjusted. Prior to that date, it was the MSCI AC Asia ex-Japan Index (with gross income reinvested), sterling adjusted.

[5] Source: Morningstar. The arithmetic average of a group of nine comparable Asia (excluding Japan) investment trusts (the "Peer Group").

Other financial information

	30 June 2020	31 December 2019	% Change
NAV per share (pence)	**380.43**	365.57	+4.1
Share price (pence)	**367.00**	368.00	–0.3
Share price (discount)/premium to NAV per share (%)	**(3.5)**	0.7	
Gearing (%)[1]	**11.3**	2.2	

[1] Borrowings used for investment purposes less cash, expressed as a percentage of net assets.

Chairman's Statement

Performance

This is my first statement to shareholders as Chairman. The previous Chairman, David Brief, reported to shareholders in the annual report as at 31 December 2019, that since Schroders' appointment in March 2013, the Company's net asset value ("NAV") total return and share price total return had comfortably outperformed the Reference Index. The board would like to thank David for his contributions as director and Chairman.

I am extremely pleased to report that although it has been an exceptionally turbulent six months, with the global economy and stock markets facing disruption and uncertainty of a magnitude unprecedented in recent years, the Company has produced a NAV total return of 6.1% in the period to 30 June 2020, outperforming both the return of the Reference Index of 0.7% and of the peer group average of 3.1%, continuing the Company's record of outperformance. Strong stock selection has contributed significantly to this performance with quality stocks proving resilient, whilst some areas of focus in the portfolio, such as the internet and technology sectors, have proved to be beneficiaries of the business impact of the pandemic.

Further details on performance may be found in the Portfolio Managers' Review.

Promotion and discount control

Although the Company's shares were trading at a premium to NAV at the start of the period, the highly volatile trading conditions caused by the effects of the COVID-19 pandemic resulted in the share price falling to a discount of 3.5% as at 30 June 2020, with an average discount for the period of 2.5%.

The Company's discount management policy targets a discount to NAV of no more than 5% in normal market conditions and the board carefully monitors the share price in order to use the shareholder authority to buy back shares when appropriate. Following a spike in the discount in March, in the midst of market volatility caused by the pandemic, the Company began to purchase shares for holding in treasury. The first buyback was executed at a discount of just over 10% and the Company purchased shares on four subsequent occasions during the period, the last of which was at a discount of around 3.8%. Consequently the Company bought back 124,000 shares during the period and a further 56,508 shares have been bought back at a discount of around 3.5% since the end of the period. As at 9 September, the discount had narrowed to 2.0%.

Gearing

The portfolio managers have proactively utilised gearing over the period which has contributed to the strong performance. Although the level of gearing started the year at 2.2% this was increased close to the point that markets bottomed in late March to end the period at 11.3%. Having taken advantage of the very substantial rally in global markets during the second quarter of the year the level of gearing has subsequently been reduced to the current level of 8.1% (as at 9 September).

Shareholder engagement

Although the Company's AGM was held behind closed doors due to the government restrictions on public gatherings during the pandemic, the Company's portfolio manager prepared a presentation, which was made available on the Company's webpages (www.schroders.co.uk/satric).

Shareholders are welcome to get in touch with the board with any queries, through the Company Secretary (details on the back cover), and for regular news about the trust, shareholders are also encouraged to sign up to the Manager's investment trusts update by visiting the Company's website www.schroders.com/en/uk/private-investor/fund-centre/funds-infocus/investment-trusts/schroders-investmenttrusts/never-miss-an-update/.

Outlook

It is an achievement to have delivered positive returns in the last six months despite extremely challenging market conditions, but the repercussions of COVID-19 are likely to continue to have a negative impact on global economies and stock markets both for the remainder of this year and looking further forward. As news of the pandemic hopefully abates, the ongoing concern over US/China trade relations, national security issues in Hong Kong and the US elections in November are likely to continue to cause uncertainty.

The portfolio managers have become more cautious although trading conditions are unlikely to be as volatile as earlier in the year. Valuations for some specific sectors of the market now look steep following very strong performance, although there are still quality stocks to be found at reasonable value. Markets may have to digest successive downward revisions in corporate earnings as the effects of COVID-19 are reflected in company profit forecasts. However this environment provides ample opportunity for stock pickers as benchmark moves belie huge earnings dispersion both within and between sectors. In addition, the portfolio managers' focus on long-term fundamental growth companies in Asia with strong balance sheets and sound corporate governance should provide portfolio resilience, with the added benefit of being able to utilise capital protection against downside risk.

Sarah MacAulay
Chairman

10 September 2020

Portfolio Managers' Review

Performance

The first half of 2020 saw some of the most volatile movements in stock market history as the world battled with the coronavirus pandemic. As the virus outbreak spread in February from a China issue to a global problem, most Asian countries went into some form of economic lockdown. Investors witnessed the end of a 10 year record-breaking stock market bull run in the USA, which was followed in March by one of the sharpest market crashes in history. Nevertheless, despite the still uncertain near-term economic outlook, markets from early April rebounded strongly as investors were willing to look through the current slump in earnings and towards a more normalized operating environment in 2021. This widespread optimism in markets was also underpinned by the unprecedented efforts by global governments and central banks who stepped in with rounds of fiscal and monetary stimulus to backstop the economy and financial markets.

The portfolio suffered a sharp pull-back in Q1 as the broader market corrected sharply and braced for the uncertain economic impact from measures to combat the COVID-19 pandemic. This was followed by an equally sharp recovery in Q2 as investors' panic started easing on signs of the infection "curves" flattening in most European, North American and Asian countries. After a difficult Q1, the portfolio's performance rebounded strongly, recouping all of the Q1 losses by early June and then putting on some net gains for the first half of 2020. Overall the NAV returned 6.1% versus the Reference Index's 0.7% (MSCI AC Asia Pacific ex Japan index, source Morningstar).

Over the six months, stock selection in China, Taiwan, Singapore and Australia was amongst the notable positive contributors. Companies in the internet and technology sectors generally held up better during the initial sell-off given the limited impact from the lockdowns on their business models. These sectors then led the subsequent rebound as the markets expect to see an accelerated shift to more online activities and technology usage as a result of the pandemic.

Many of our technology holdings such as **Sea**, **Seek**, **Tencent**, **MediaTek**, **Chroma Ate**, and **TSMC** performed well and were among the key contributors. In Australia, performance was helped by strong performance from healthcare names (**Cochlear**, **ResMed**, **CSL**). A key positive was also the limited exposure to oil and gas, banking and heavy industrial stocks which were the weakest performing. Similarly, due to our long-term concerns on competitiveness, the portfolio only owns a handful of Indian and ASEAN stocks which were the weakest markets, finishing the first half in negative territory.

The exposure to domestic Hong Kong was negative owing to worries over collateral damage from the heightened Sino-US tensions, especially following the enactment of the controversial National Security Law in the city. Finally, not holding some of the second-tier or emerging Chinese E-commerce names such as Meituan and Pinduoduo also slightly dragged on performance relative to the Reference Index, as these share prices more than doubled, driven partly by retail sentiment as markets turned increasingly frothy.

On capital protection, our small position in put options on the HK and Chinese indices helped offset a little of the negative returns during the sell-off (puts being *an option to sell assets at an agreed price*). As the crisis unfolded and markets priced in an increasingly negative outlook, we closed most of the hedges. At the end of March our model readings turned strongly positive on markets and we raised gearing levels moderately to a peak of around 12%, which allowed a fuller participation in the subsequent market recovery.

Post the end of the period covered in this report, markets have continued to bounce strongly despite the cautious outlook on corporate earnings for many sectors. We have reduced gearing and are now starting to look to add some level of protection via put options.

Portfolio Managers' Review

Half year 2020 performance attribution

	Contribution to return (%)	Comments
Australia	0.3	Seek, ResMed, CSL, Aristocrat Leisure
China	5.0	Alibaba, Tencent, Wuxi Biologics, Wuxi Apptec, ChiMed
France	0.1	LVMH
Germany	-0.1	Adidas
Hong Kong	-1.9	Swire Pacific, Swire Properties, Jardine Strategic, Stella
India	-1.8	HDFC Bank
South Korea	0.2	Naver
Philippines	-0.1	ICTS
Singapore	1.1	Sea
Taiwan	2.7	Merida, Voltronic Power, Mediatek, TSMC, Chroma Ate
Thailand	-0.7	Aeon Thana Sinsap
United Kingdom	0.5	Rio Tinto
United States	-0.1	Las Vegas Sands
Vietnam	0.2	Vietnam Dairy
Derivatives	1.0	Put options on market indices
Cash / Gearing	-0.2	
Costs / fees	-0.4	
Residual	0.3	
Total return	**6.1**	

Source: Schroders.
Source: MSCI, net income reinvested.

Principal contributors	£ Return (%)	Contribution to return (%)
Tencent	+43.5	2.5
Sea	+174.0	1.8
Techtronic	+29.7	1.0
Wuxi Biologics	+54.9	0.9
Alibaba	+9.0	0.9

Principal detractors	£ Return (%)	Contribution to return (%)
HDFC Bank	-23.1	-1.5
Aeon Thana Sinsap	-40.1	-0.7
Tabcorp	-33.8	-0.7
Swire Pacific	-29.0	-0.6
Woodside Petroleum	-32.1	-0.6

Source: Schroders

Portfolio Positioning

Top 10 largest stock positions as at 30 June 2020

Holding	Business	% of total
Alibaba	Chinese top e-commerce player	6.9
Tencent	Chinese internet service portal	6.9
TSMC	Semiconductor manufacturer	6.3
Samsung Electronics	Korean tech conglomerate	6.3
Techtronic	Global power tool producer	3.4
AIA	Regional insurer	2.8
BHP Group	Global mining company	2.7
Galaxy Entertainment	Macau gaming operator	2.4
Ping An Insurance	Chinese insurer	2.3
Voltronic Power	Taiwanese power equipment producer	2.2

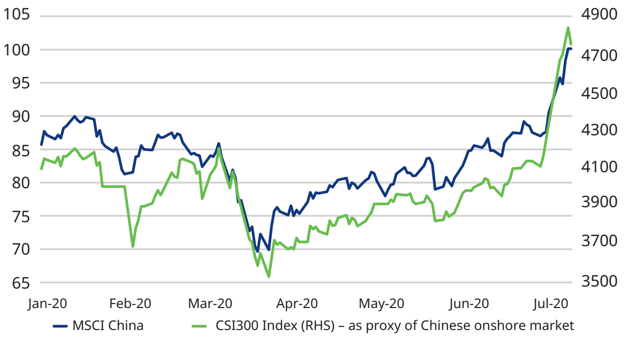
Portfolio Managers' Review

Outlook

With COVID-related demand destruction still very prevalent, given the rapid spread of COVID-19 in many emerging countries and the risks of secondary spikes in developed countries, profits in many sectors in Asia will continue to face significant near term headwinds. Nevertheless, the recent sharp recovery in markets shows that many investors are instead placing a great deal of hope on a 2021 recovery, along with the reassurance that central bankers and politicians will do "whatever it takes" to backstop the economy and markets. Or perhaps many investors now correctly recognise that if doing whatever it takes means money printing, then equities may be preferable to cash...

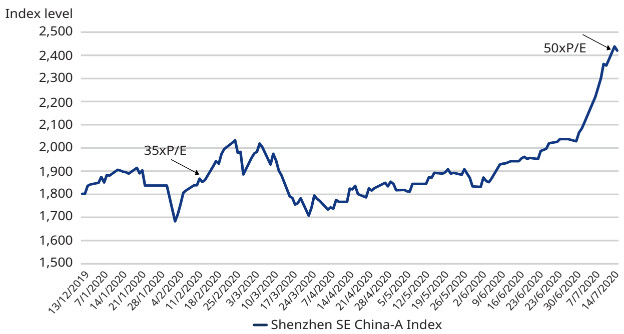
The recent optimism has led to some outsized gains within selected parts of the markets. In particular Chinese A-shares have been looking increasingly frothy since May, and this froth has now spilled over into the broader China markets (as proxied by the MSCI China index in the chart below) and now appears to be spreading to parts of the Taiwanese and Korean equity markets.

Chart 1: Chinese equities are starting to look quite frothy



Source: Bloomberg, Jefferies, July 2020

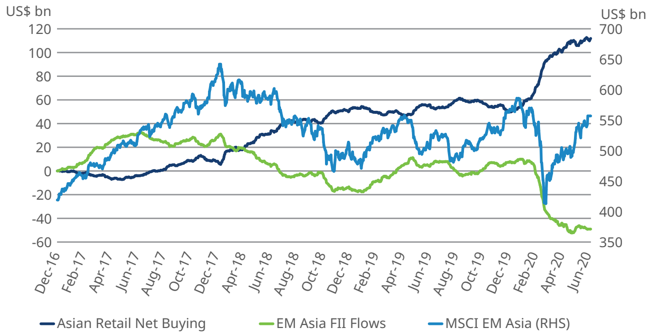
Chart 2: Shenzhen A shares now up c.30% Year to Date and the index is trading on close to 50x Earnings



Source: Factset, July 2020

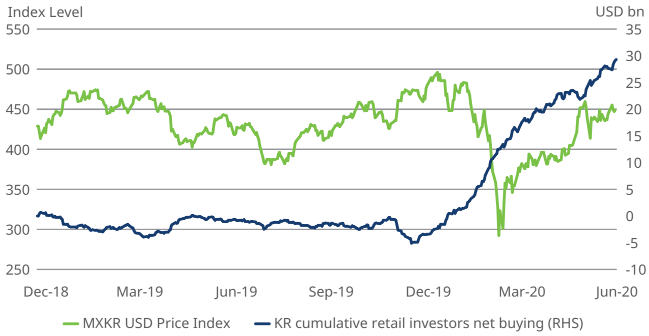
The driver of the recent moves in the Chinese and North Asian markets has principally been domestic retail investors. As shown in Chart 3 and 4 the turnaround in domestic retail sentiment in Asia has been quite dramatic since the end of March, with significant retail investor buying. Margin balances are also rising sharply (Chart 5) and some of the recent IPOs in Hong Kong are running at oversubscription rates of 200-300 times, the typical levels at the peak of past speculative fervours (Chart 6) in Asia. It would be fair to say the traffic lights are very much flashing amber – and we believe caution is warranted at this point.

Chart 3: Domestic retail flows have sharply risen in EM Asia, aiding the market rebound



Note: Emerging Asia: Korea, Taiwan, India, Thailand, Malaysia. Taiwan flows = non-institutional net buying, India = SIP flows. Other figures represent net buying from retail investors in their respective markets. Source: Bloomberg, AMFI, HKEx, TEJ, FactSet, MSCI, Goldman Sachs, July 2020.

Chart 4: Strong retail buying has driven the market rebound in Korea

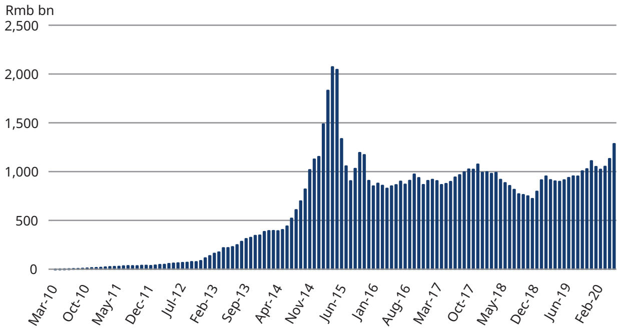


Source: Bloomberg, FactSet, MSCI, Goldman Sachs, July 2020

Portfolio Managers' Review

Chart 5:

China margin financing balance[1]

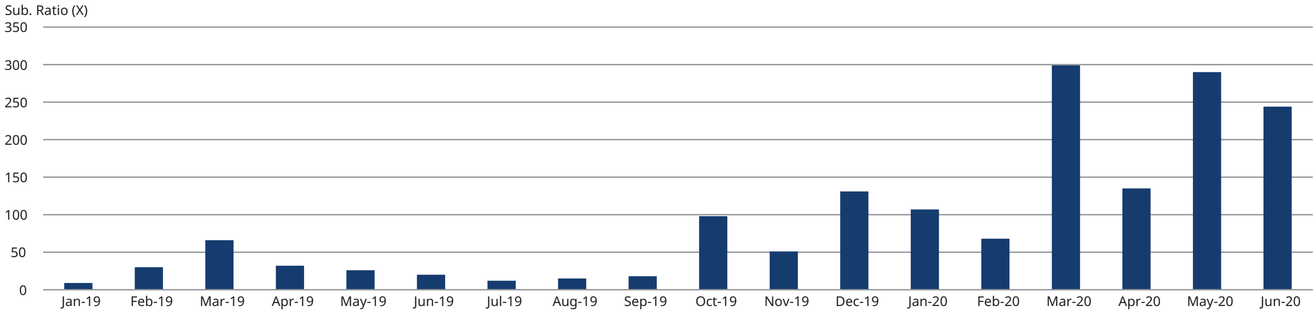


Korea loans on margin account balance[2]

[1]Data to 8 July 2020. Source: Wind, Bloomberg, Jefferies, July 2020
[2]Highlighted area is from 25-Mar: a 101% increase was observed since then. Source: Korea Financial Investment Association, July 2020

Chart 6: Making hay whilst the sun shines – even as the clouds gather in Hong Kong

Average IPO subscription ratio (HK)



Source: Bloomberg, Goldman Sachs, July 2020

With bubbles seemingly spreading in pockets of the market, we need to ask ourselves a few questions:

1. So how big is the bubble?
2. How dangerous is the bubble?
3. How long might it last?

How big is the bubble?

The bubble at the moment is not that broad-based, but in some sectors this froth has now become worrying as prices appear to have risen to unsustainable levels. This bubble has some parallels with the TMT bubble of 1999/2000, and it appears to be concentrated in stocks related to the "**BEVI**" sectors:

B – Biotech and any related pharma stocks – ideally those with no revenues and just a pipeline of hopes and dreams.

EV – Any stock that makes a widget, valve, semiconductor, or battery that might be used in an electric car – and of course particularly a Tesla. It doesn't matter if they have orders, just as long as they can talk about potential ones at an indeterminate date in the future.

I – Internet and any tech companies that can claim they have an internet, cloud, e-commerce, working from home, mobile gaming angle. Ideally, you want companies where losses are still expanding, ideally even faster than revenues and where the model is "new" and untested, but just bound to be loved by Generation Z.

For those who can recall 1999/2000, the current environment will bring back memories of the TMT bubble. And of course, true to form, the ever-creative sell side are creating new valuation measures and challenging each other to come up with sillier price targets for many stocks in these sectors.

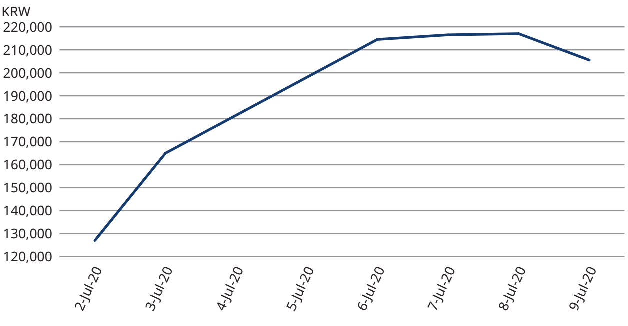
The bubble-like conditions in these sectors are quite big for some individual stocks. Biotech stocks are probably the silliest. There are plenty of examples, but a couple stood out for us. One has quadrupled its market cap since its IPO in mid-June; it has no revenues and just a pipeline of which only one or two drugs look potentially material as of today.

Another biotech firm's share price has risen over 20 times this year. We've struggled to find much information about its business, but this firm with a market cap of $6 billion appears to have 60 employees and no revenues.

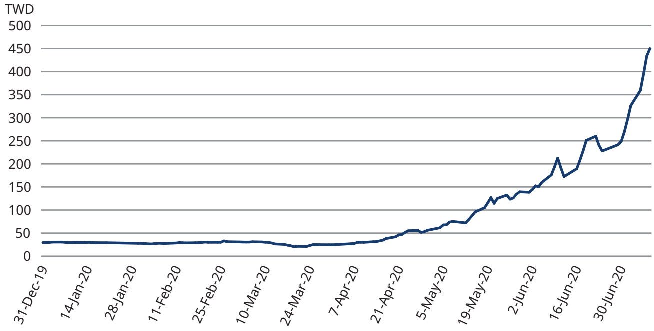
Portfolio Managers' Review

Chart 7: Biotech Bubbles

SK Biopharmaceuticals share price



Oneness Biotech share price



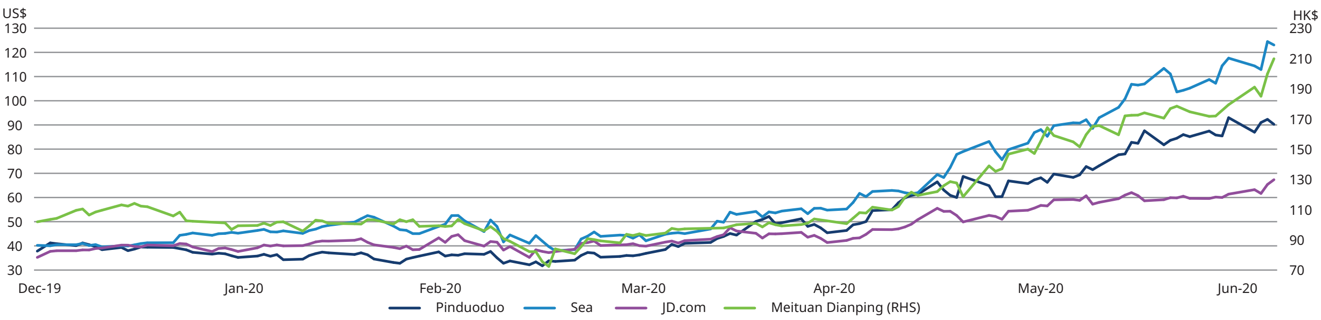
Source: Refinitiv Eikon, July 2020

How dangerous is this bubble?

Up until early July, the excesses were mostly concentrated in second tier companies, so we were reasonably relaxed that the downside risk overall was not huge. However, we are getting increasingly concerned about the internet sector, particularly in China. China is c.40-50% of most of the standard benchmarks used by Asian funds and internet stocks on their own are around 40-45% of the MSCI China index. So a bubble spreading to this sector does create risks of significant market falls.

Initially, with Chinese tech giants Alibaba and Tencent not participating in the froth, we felt relaxed that overall market risks was not serious, but these two have now joined the party. In the first week of July Alibaba's market value rose by US$120bn, approximately the combined value of HSBC Bank and Jardine Matheson.

Chart 8: All these stocks have doubled or more this year – only JD actually makes any real money – all have market caps over US$100bn (except Sea which is a bargain at US$60bn!)



Source: Refinitiv Eikon, July 2020

Portfolio Managers' Review

Chart 9: Tencent and Alibaba have joined the party

Source: Refinitiv Eikon, July 2020

So alarm bells are ringing. At least for Alibaba and Tencent, the network effects and investment strategies of these companies may justify some of the strength in their share prices. For many other internet names, though, a clear speculative fervour has taken hold. We question whether network effects that you get in e-commerce, online media etc. are anywhere near as strong in bike-sharing, taxis, food delivery, hotel booking, group buying and so on. Certainly in the US it is very much the case that "not all internet stocks are created equal". Will China be so different?

Many other sectors are moribund. ASEAN markets are struggling, Australia is doing nothing; property, banks, cyclicals, industrials, oil & gas remain very out of favour. This again is similar to the bubble at the turn of the century. The retail investor only wants to chase hot themes and stories.

So how worried should we be and how long might these conditions last?

As highlighted above, with the froth spreading to wider areas of internet and technology, we are now concerned about risks to the downside. Our feeling, purely based on past experience of retail bubbles in Asia, is this will get bigger before it bursts. We would expect, however, the bubbly conditions to remain pretty confined to the BEVI sectors.

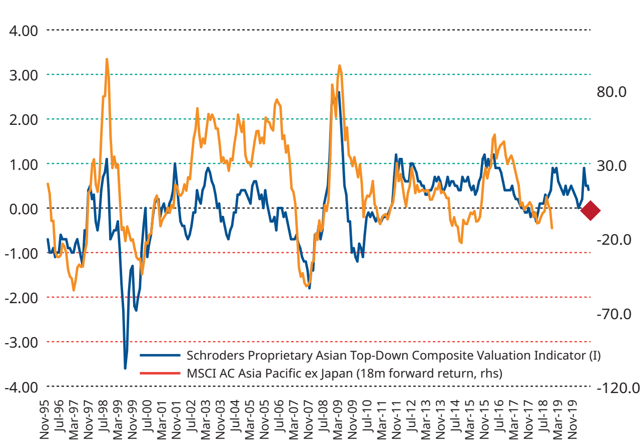
For those willing to look away from the herd, opportunities in Asia are to be had, such as in great bank franchises or quality resource stocks offering a 7% dividend yield… but that is so passé of course…

So what are your portfolio managers doing?

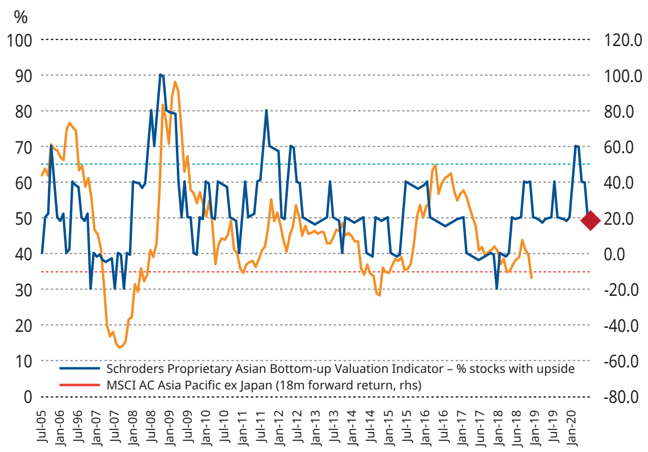
At current levels, our model is forecasting flat markets. Our valuation indicators are also back at neutral levels as the rerating in the internet, technology and pharma sectors offsets the optically "cheap" sectors such as banks, property, insurance, commodities and industrials.

Chart 10: Valuations now back to normal or perhaps slightly expensive

Schroders Top-Down Valuation Indicator (I)



Schroders Bottom-up Valuation Indicator



Source: Schroders, July 2020

Portfolio Managers' Review

Despite the froth in the BEVI sectors, much of the broader market is still lagging and remains reasonably valued. We therefore haven't been rushing to buy significant hedging, instead we remain disciplined and have trimmed stocks we hold that got pushed above our fair values on thematic excesses. If the bubble gets bigger and spreads to other sectors, we will look to add to hedging.

Meanwhile, in the short-term as we position the Company more defensively, this could mean potentially some periods of underperformance versus the Reference Index if frothy conditions continue.

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

Robin Parbrook, Lee King Fuei
10 September 2020

Half Year Report

Principal risks and uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: strategic risk; investment management risk; custody risk; financial and currency risk; gearing and leverage risk; accounting, legal and regulatory risk; service provider risk; and cyber risk. A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 31 to 33 of the Company's published annual report and accounts for the year ended 31 December 2019.

The board has continued to keep under review the effect of the COVID-19 pandemic on the Company's principal risk and uncertainties. Although it was assessed to be an emerging risk in the annual report, the board now considers that the Company's existing principal risks and uncertainties are sufficiently comprehensive. COVID-19 continues to affect the Company, 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 pandemic has had a significant impact on prospects for global growth as measured by GDP and it continues to create uncertainty in many sectors.

The board notes the Manager's investment process has been unaffected by the COVID-19 pandemic. The Manager continues to focus on long-term company fundamentals and detailed analysis of current and future investments. Nevertheless, the degree of uncertainty relating to investment management risk has increased due to COVID-19, and the board will be keeping this under close review.

COVID-19 also affected the Company's service providers, who implemented business continuity plans in line with government recommendations. However, the board has been pleased to note that to date the Company's service providers have been able to operate on a business as usual basis, despite the pandemic.

Except with respect to the degree of uncertainty relating to investment management risk, the Company's principal risk and uncertainties have not materially changed during the six months ended 30 June 2020.

Going concern

Having assessed the principal risks and uncertainties, and the other matters discussed in connection with the viability statement as set out on page 34 of the published annual report and accounts for the year ended 31 December 2019, as well as considering the effect of COVID-19 on those risks and, where appropriate, action taken by the Company's service providers in relation to those risks, detailed above, the directors consider it appropriate to adopt the going concern basis in preparing the accounts.

Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 30 June 2020.

Directors' responsibility statement

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

Investment Portfolio as at 30 June 2020

Investments are classified by the investment manager in the country of their main business operations. Stocks in bold are the 20 largest exposures to companies, which by value account for 60.6% (30 June 2019: 59.5% and 31 December 2019: 61.1%) of total investments and derivative financial instruments.

	£'000	%
Mainland China		
Alibaba[1] (including ADR[2])	**28,602**	**6.9**
Tencent Holdings[1]	**28,390**	**6.9**
Ping An Insurance[1]	**9,335**	**2.3**
WuXi Biologics[1]	**8,455**	**2.0**
Hutchison China MediTech (ADR)[2]	**7,418**	**1.8**
Midea Group (UBS) 27/05/21[3]	**7,001**	**1.7**
New Oriental Education & Technology (ADR)[2]	6,038	1.5
Shenzou International Group[1]	5,966	1.5
WuXi AppTec[1]	4,522	1.1
51 Jobs (ADR)[2]	4,124	1.0
Yum China[2]	3,587	0.9
Haitian International Holdings[1]	3,208	0.8
Total Mainland China	**116,646**	**28.4**
Hong Kong (SAR)		
Techtronic Industries	**14,177**	**3.4**
AIA	**11,729**	**2.8**
Galaxy Entertainment	**9,999**	**2.4**
Swire Properties	6,488	1.6
ASM Pacific Technology	6,098	1.5
Hang Lung	5,018	1.2
Convenience Retail Asia	4,796	1.2
Kerry Logistics Network	4,602	1.1
Swire Pacific	4,238	1.0
Hong Kong Television Network	4,117	1.0
Hong Kong Exchanges and Clearing	3,108	0.8
Johnson Electric Holdings	2,069	0.5
Dah Sing Banking	1,805	0.4
Pacific Textiles Holding	1,613	0.4
Total Hong Kong (SAR)	**79,857**	**19.3**

	£'000	%
Australia		
BHP Billiton	**11,227**	**2.7**
CSL	**7,624**	**1.8**
ResMed	**6,846**	**1.7**
Medibank Private	6,340	1.5
Crown	5,766	1.4
Aristocrat Leisure	5,257	1.3
Seek	4,473	1.1
Woodside Petroleum	3,970	1.0
Brambles	3,285	0.8
Cochlear	3,244	0.8
Bluescope Steel	1,192	0.3
Total Australia	**59,224**	**14.4**
Taiwan		
Taiwan Semicon Manufacturing	**25,946**	**6.3**
Voltronic Power Technology	**9,021**	**2.2**
Mediatek	**6,616**	**1.6**
Chroma ATE	6,067	1.5
Advantech	5,504	1.4
Getac Technology	4,702	1.1
Total Taiwan	**57,856**	**14.1**
South Korea		
Samsung Electronics	**25,820**	**6.3**
Naver	5,684	1.4
SK Biopharmaceuticals	150	–
Total South Korea	**31,654**	**7.7**
Singapore		
Mapletree Commercial Trust	**7,361**	**1.8**
Sea (ADR)[2]	**7,216**	**1.7**
Venture	5,696	1.4
Total Singapore	**20,273**	**4.9**
India		
Schroder International Selection Fund – Indian Opportunities[4]	**8,928**	**2.2**
HDFC Bank (ADR)[2]	**8,632**	**2.1**
Total India	**17,560**	**4.3**

Investment Portfolio as at 30 June 2020

	£'000	%
France		
LVMH	5,431	1.2
Total France	**5,431**	**1.2**
Germany		
Adidas	5,354	1.2
Total Germany	**5,354**	**1.2**
United Kingdom		
Rio Tinto	4,686	1.1
Total United Kingdom	**4,686**	**1.1**
Vietnam		
Vietnam Dairy Products	4,656	1.1
Total Vietnam	**4,656**	**1.1**
Philippines		
International Container Terminal Services	3,351	0.8
Total Philippines	**3,351**	**0.8**
United States		
Las Vegas Sands	3,343	0.8
Total United States	**3,343**	**0.8**
Thailand		
Aeon Thana Sinsap	2,555	0.6
Total Thailand	**2,555**	**0.6**
Total Investments[5]	**412,446**	**99.9**
Derivative Financial Instruments		
Index Put Options		
Hong Kong Stock Exchange Put Option 10000 August 2020	528	0.1
Total Index Put Options[6]	**528**	**0.1**
Total Investments and Derivative Financial Instruments	**412,974**	**100.0**

[1] Listed in Hong Kong (SAR).

[2] Listed in the USA.

[3] Participatory notes.

[4] Open-ended collective investment fund.

[5] Total investments comprise the following:

	£'000
Equities	339,523
American Depositary Receipts (ADR)	56,994
Collective investment fund	8,928
Participatory notes	7,001
Total investments	**412,446**

[6] The combined effect of the options gives downside protection to 1.8% of total investments.

Income Statement

	Note	(Unaudited) For the six months ended 30 June 2020 Revenue £'000	Capital £'000	Total £'000	(Unaudited) For the six months ended 30 June 2019 Revenue £'000	Capital £'000	Total £'000	(Audited) For the year ended 31 December 2019 Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss		**–**	**13,948**	**13,948**	–	47,079	47,079	–	47,073	47,073
Net gains/(losses) on derivative contracts		**–**	**3,253**	**3,253**	–	(3,210)	(3,210)	–	(4,390)	(4,390)
Net foreign currency (losses)/gains		**–**	**(941)**	**(941)**	–	(97)	(97)	–	319	319
Income from investments		**4,872**	**353**	**5,225**	4,481	376	4,857	9,417	666	10,083
Other interest receivable and similar income		**8**	**–**	**8**	19	–	19	32	–	32
Gross return		**4,880**	**16,613**	**21,493**	4,500	44,148	48,648	9,449	43,668	53,117
Investment management fee		**(290)**	**(869)**	**(1,159)**	(273)	(819)	(1,092)	(559)	(1,677)	(2,236)
Performance fee		**–**	**–**	**–**	–	(2,614)	(2,614)	–	(2,838)	(2,838)
Administrative expenses		**(332)**	**–**	**(332)**	(327)	–	(327)	(646)	–	(646)
Net return before finance costs and taxation		**4,258**	**15,744**	**20,002**	3,900	40,715	44,615	8,244	39,153	47,397
Finance costs		**(55)**	**(166)**	**(221)**	(59)	(178)	(237)	(113)	(339)	(452)
Net return on ordinary activities before taxation		**4,203**	**15,578**	**19,781**	3,841	40,537	44,378	8,131	38,814	46,945
Taxation on ordinary activities	3	**1,095**	**–**	**1,095**	(189)	–	(189)	(478)	–	(478)
Net return on ordinary activities after taxation		**5,298**	**15,578**	**20,876**	3,652	40,537	44,189	7,653	38,814	46,467
Return per share	4	**5.41p**	**15.92p**	**21.33p**	3.94p	43.74p	47.68p	8.10p	41.10p	49.20p

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 period.

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

Statement of Changes in Equity

For the six months ended 30 June 2020 (Unaudited)

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2019		4,895	60,135	11,646	29,182	234,828	17,185	357,871
Repurchase of the Company's own shares into treasury		–	–	–	–	(436)	–	(436)
Net return on ordinary activities		–	–	–	–	15,578	5,298	20,876
Dividend paid in the period	5	–	–	–	–	–	(6,362)	(6,362)
At 30 June 2020		**4,895**	**60,135**	**11,646**	**29,182**	**249,970**	**16,121**	**371,949**

For the six months ended 30 June 2019 (Unaudited)

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2018		4,570	37,081	11,646	29,182	196,014	15,290	293,783
Issue of shares		142	9,894	–	–	–	–	10,036
Net return on ordinary activities		–	–	–	–	40,537	3,652	44,189
Dividend paid in the period	5	–	–	–	–	–	(5,758)	(5,758)
At 30 June 2019		**4,712**	**46,975**	**11,646**	**29,182**	**236,551**	**13,184**	**342,250**

For the year ended 31 December 2019 (Audited)

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 December 2018		4,570	37,081	11,646	29,182	196,014	15,290	293,783
Issue of shares		325	23,054	–	–	–	–	23,379
Net return on ordinary activities		–	–	–	–	38,814	7,653	46,467
Dividend paid in the year	5	–	–	–	–	–	(5,758)	(5,758)
At 31 December 2019		**4,895**	**60,135**	**11,646**	**29,182**	**234,828**	**17,185**	**357,871**

Statement of Financial Position

	Note	(Unaudited) 30 June 2020 £'000	(Unaudited) 30 June 2019 £'000	(Audited) 31 December 2019 £'000
Fixed assets				
Investments held at fair value through profit or loss		**412,446**	355,338	368,537
Current assets				
Debtors		**1,940**	1,562	454
Cash at bank and in hand		**–**	4,641	4,202
Derivative financial instruments held at fair value through profit or loss		**528**	576	477
		2,468	6,779	5,133
Current liabilities				
Creditors: amounts falling due within one year		**(42,965)**	(19,867)	(15,799)
Net current liabilities		**(40,497)**	(13,088)	(10,666)
Total assets less current liabilities		**371,949**	342,250	357,871
Net assets		**371,949**	342,250	357,871
Capital and reserves				
Called-up share capital	6	**4,895**	4,712	4,895
Share premium		**60,135**	46,975	60,135
Capital redemption reserve		**11,646**	11,646	11,646
Special reserve		**29,182**	29,182	29,182
Capital reserves		**249,970**	236,551	234,828
Revenue reserve		**16,121**	13,184	17,185
Total equity shareholders' funds		**371,949**	342,250	357,871
Net asset value per share	7	**380.43p**	363.21p	365.57p

Registered in England and Wales
Company registration number: 02153093

Cash Flow Statement

	Note	(Unaudited) For the six months ended 30 June 2020 £'000	(Unaudited) For the six months ended 30 June 2019 £'000	(Audited) For the year ended 31 December 2019 £'000
Net cash inflow from operating activities	8	**661**	2,587	6,697
Net cash outflow from investment activities		**(26,707)**	(20,475)	(34,823)
Dividends paid		**(6,362)**	(5,758)	(5,758)
Interest paid		**(192)**	(231)	(461)
Net bank loans drawn down		**11,979**	4,350	695
Repurchase of the Company's own shares into treasury		**(434)**	–	–
Issue of new shares		**–**	9,576	23,379
Net cash outflow in the period		**(21,055)**	(9,951)	(10,271)
Reconciliation of net cash flow to movement in net funds				
Net cash outflow in the period		**(21,055)**	(9,951)	(10,271)
Bank loan drawn down		**(11,979)**	(4,350)	(695)
Exchange movements		**(941)**	(97)	319
Changes in net funds arising from cash flows		**(33,975)**	(14,398)	(10,647)
Net (debt)/cash at the beginning of the period		**(7,951)**	2,696	2,696
Net debt at the end of the period		**(41,926)**	(11,702)	(7,951)
Represented by:				
Cash at bank and in hand		**(16,954)**	4,641	4,202
Bank loans		**(24,972)**	(16,343)	(12,153)
Net debt		**(41,926)**	(11,702)	(7,951)

Notes to the Accounts

1. Financial Statements

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

The figures and financial information for the year ended 31 December 2019 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

Basis of accounting

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

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

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 31 December 2019.

3. Taxation on ordinary activities

	(Unaudited) Six months ended 30 June 2020			(Unaudited) Six months ended 30 June 2019			(Audited) Year ended 31 December 2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Irrecoverable overseas tax	**225**	**–**	**225**	189	–	189	478	–	478
Recoverable corporation tax relating to prior years	**(1,320)**	**–**	**(1,320)**	–	–	–	–	–	–
Taxation on ordinary activities	**(1,095)**	**–**	**(1,095)**	189	–	189	478	–	478

The Company has reached an agreement with HMRC to recover £1,320,000 of corporation tax paid in relation to financial years 2007 and 2008. This represents a favourable outcome for the Company, following a dispute with HMRC over the treatment of overseas income.

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income.

4. Return per share

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Revenue return	**5,298**	3,652	7,653
Capital return	**15,578**	40,537	38,814
Total return	**20,876**	44,189	46,467
Weighted average number of shares in issue during the period	**97,881,816**	92,685,767	94,433,447
Revenue return per share	**5.41p**	3.94p	8.10p
Capital return per share	**15.92p**	43.74p	41.10p
Total return per share	**21.33p**	47.68p	49.20p

Notes to the Accounts

5. Dividend paid

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
2019 dividend paid of 6.5p (2018: 6.2p)	**6,362**	5,758	5,758

No interim dividend has been declared in respect of the year ended 31 December 2020 (2019: nil).

6. Called-up share capital

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Changes in called-up share capital during the period were as follows:			
Opening balance of ordinary shares of 5p each	**4,895**	4,570	4,570
Repurchase of shares into treasury	**(6)**	–	–
Issue of shares	**–**	142	325
Subtotal, ordinary shares of 5p each, excluding shares held in treasury	**4,889**	4,712	4,895
Shares held in treasury	**6**	–	–
Closing balance, ordinary shares of 5p each, including shares held in treasury	**4,895**	4,712	4,895

	(Unaudited) Six months ended 30 June 2020	(Unaudited) Six months ended 30 June 2019	(Audited) Year ended 31 December 2019
Changes in the number of shares in issue during the period were as follows:			
Ordinary shares of 5p each, allotted, called-up and fully paid			
Opening balance of shares in issue	**97,895,159**	91,400,159	91,400,159
Repurchase of shares into treasury	**(124,000)**	–	–
Issue of shares	**–**	2,830,000	6,495,000
Closing balance of shares in issue, excluding shares held in treasury	**97,771,159**	94,230,159	97,895,159
Closing balance of shares held in treasury	**124,000**	–	–
Closing balance of shares in issue, including shares held in treasury	**97,895,159**	94,230,159	97,895,159

Notes to the Accounts

7. Net asset value per share

	(Unaudited) Six months ended 30 June 2020	(Unaudited) Six months ended 30 June 2019	(Audited) Year ended 31 December 2019
Total equity shareholders' funds (£'000)	**371,949**	342,250	357,871
Shares in issue at the period end, excluding shares held in treasury	**97,771,159**	94,230,159	97,895,159
Net asset value per share	**380.43p**	363.21p	365.57p

8. Reconciliation of total return on ordinary activities before finance costs and taxation to net cash inflow from operating activities

	(Unaudited) Six months ended 30 June 2020 £'000	(Unaudited) Six months ended 30 June 2019 £'000	(Audited) Year ended 31 December 2019 £'000
Total return on ordinary activities before finance costs and taxation	**20,002**	44,615	47,397
Capital return on ordinary activities before finance costs and taxation	**(15,744)**	(40,715)	(39,153)
Increase in prepayments and accrued income	**(174)**	(848)	(166)
(Increase)/decrease in other debtors	**1**	(9)	(9)
(Decrease)/increase in other creditors	**(2,690)**	2,712	2,914
Special dividend allocated to capital	**353**	376	666
Stock dividend	**–**	–	(3)
Management fee allocated to capital	**(869)**	(819)	(1,677)
Performance fee allocated to capital	**–**	(2,614)	(2,838)
Overseas withholding tax deducted at source	**(218)**	(111)	(434)
Net cash inflow from operating activities	**661**	2,587	6,697

9. Financial instruments measured at fair value

The Company's financial instruments that are held at fair value include its investment portfolio and derivative financial instruments.

FRS 102 requires that these financial instruments are categorised into a hierarchy consisting of the following three levels:

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.

The following table sets out the fair value measurements using the above hierarchy:

	30 June 2020 (unaudited)			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial instruments held at fair value through profit or loss				
Equity investments and derivative financial instruments	**405,973**	**–**	**–**	**405,973**
Participatory notes[1]	**–**	**7,001**	**–**	**7,001**
Total	**405,973**	**7,001**	**–**	**412,974**

	30 June 2019 (unaudited)			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial instruments held at fair value through profit or loss				
Equity investments and derivative financial instruments	350,814	–	–	350,814
Participatory notes[1]	–	5,100	–	5,100
Total	350,814	5,100	–	355,914

	31 December 2019 (audited)			
	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial instruments held at fair value through profit or loss				
Equity investments and derivative financial instruments	362,555	–	–	362,555
Participatory notes[1]	–	6,459	–	6,459
Total	362,555	6,459	–	369,014

[1] Participatory notes, which are valued using the quoted bid prices of the underlying securities, have been allocated to Level 2 as, strictly, these are not identical assets.

10. Events after the interim period that have not been reflected in the financial statements for the interim period

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

Directors

Sarah MacAulay (Chairman)
Andrew Cainey
Caroline Hitch
Mike Holt

Advisers

Alternative Investment Fund Manager ("Manager")

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

Investment Manager and Company Secretary

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Telephone: 020 7658 3847

Registered Office

1 London Wall Place
London EC2Y 5AU

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Lending Bank

Scotiabank Europe PLC
201 Bishopsgate
6th Floor
London EC2M 3NS

Corporate Broker

Winterflood Investment Trusts
The Atrium Building
Canon Bridge House
Dowgate Hill
London EC4R 2GA

Independent Auditor

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

UK 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 the above address and telephone number above.

Shareholder enquiries

General enquiries about the Company should be addressed to the company secretary at the Company's Registered Office.

Dealing Codes

ISIN Number:	GB0008710799
SEDOL Number:	0871079
Ticker:	ATR

Global Intermediary Identification Number (GIIN)

TRPJG6.99999.SL.826

Legal Entity Identifier (LEI)

549300TQNNGZ0JHO2L78

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

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