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<sup>1</sup> Collectively these comprise the Manager's report.

# Fund Information

## Investment objective and policy

The Schroder Asian Income Fund (the 'Fund') aims to provide income and capital growth in excess of the MSCI AC Pacific ex Japan (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of Asia Pacific companies excluding Japan but including Australia and New Zealand.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of Asia Pacific companies, excluding Japan but including Australia and New Zealand, which offer dividend payments.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

## Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI AC Pacific ex Japan (Net Total Return) index, and compared against the Investment Association Asia Pacific ex Japan sector average return. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of this benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager and the Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

## Significant events

Effective from 1 March 2021 a transparent "all in one" fund management fee was introduced. This is a single percentage based fee to cover certain elements of the separate charges and fees, which were previously charged and are now replaced with a single charge named "Schroders Annual Charge". Previously all expenses were directly charged to each Fund as incurred. This structure consisted of the Annual Management Charge, plus other fees and expenses, including the Trustee fee, Custody fee, Transfer Agent fee, Audit fee and certain costs and administrative expenses paid by the Manager in relation to the management and operation of the funds, as disclosed in the Prospectus.

## Total purchases and sales

	For the period to 15.7.21 £000's	For the year to 15.1.21 £000's
Total purchases	150,295	380,539
Total sales	153,059	598,596

# Fund Performance

	Number of units in issue 15.7.21	Net asset value per unit 15.7.21	Net asset value per unit 15.1.21
A Accumulation units	5,371,156	590.02p	593.36p
A Income units	3,263,204	307.43p	314.86p
L Accumulation units	166,879,823	105.47p	105.63p
L Income units	735,107,786	77.92p	79.47p
S Income units	20,474,443	85.34p	86.92p
Z Accumulation units	176,719,834	126.58p	126.82p
Z Income units	402,542,257	83.47p	85.16p

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

# Review of Investment Activities

**From 15 January 2021 to 15 July 2021, Z Accumulation units delivered nil return on dealing price basis. In the same period, the MSCI All Country Pacific ex Japan Index generated a negative net return of 3.03%<sup>1</sup> in sterling terms.**

The Fund outperformed the benchmark thanks largely to an underweight exposure to China, where a regulatory crackdown by Chinese authorities on technology and education companies prompted a sharp sell-off late in the period. Overweights to Taiwan and Hong Kong, and selection in Australia also contributed.

On a sector basis, stock selection in communication services and information technology was the main positive driver.

In terms of portfolio composition from a regional perspective, our largest underweight remains China and we slightly increased the extent of this over the period. We added to some of our positions in South East Asia including in Singapore which is our largest overweight. Sectorally, real estate remains our most significant overweight and we added to this over the period. Information technology is also a significant overweight although has been slightly reduced. Consumer discretionary remains our largest underweight. Other notable changes include adding to financials moving from slightly underweight to overweight. We also decreased our weighting in industrials and are now more underweight.

There is still a lot of uncertainty as to where near term dividend payments will go given the path of Covid-19. Renewed outbreaks and low vaccination rates across much of Asia naturally warrant caution. All that said we still believe that in most cases this is more a matter of timing rather than these companies' ability to pay. In the medium to long term dividends tend to follow earnings and we are starting to see earnings recover.

Near term headwinds remain for companies that are reliant on increased mobility such as the Macau gaming stocks as well as some of the retail orientated names where international travellers are important. Where dividends had been squeezed in places such as Australia and Singapore we have seen payments start to resume or tick up. In Taiwan, the Covid-19 outbreak has seen a number of AGMs temporarily delayed which has impacted the timing of some dividend payments.

In terms of portfolio strategy, we maintain a bottom-up investment approach and we continue to look for good companies where we can see a strong income case and potential for capital growth.

**Fund Manager:**  
**Richard Sennitt**



Joined Schroders in 1993

Investment career commenced in 1993

As fund manager for Pacific Equity accounts, Richard is co-manager of Schroder Asian Income Maximiser and manager of Schroder Asian Income Fund

Associate member of the UK Society of Investment Professionals (UKSIP). Member of the CFA Institute

BA, Oxford University

<sup>1</sup> Source: Refinitiv Eikon Datastream.

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# Risk Profile

## Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund’s future risk profile. The Fund’s risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website [www.schroders.com](http://www.schroders.com).

# Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Fund and of its net revenue and the net capital losses on the property of the Fund for the period. In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now the Investment Association) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements;
- make judgements and estimates that are prudent and reasonable.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the Collective Investment Schemes sourcebook, and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the period ended 15 July 2021 were signed on 8 September 2021 on behalf of the Manager by:

**P. Chislett**  
Directors

**J. Rainbow**

# Portfolio Statement

	Holding at 15.7.21	Market Value £000's	% of net assets
<b>Equities 96.86% (96.05%)</b>			
<b>Australia 10.25% (9.52%)</b>			
Brambles	498,173	3,050	0.22
Deterra Royalties	1,783,181	4,116	0.30
Endeavour Group	1,033,454	3,509	0.26
Iluka Resources	416,405	1,957	0.14
Mirvac Group REIT	13,305,403	20,264	1.48
National Australia Bank	1,271,069	17,728	1.30
Orica	1,826,557	13,079	0.96
Suncorp Group	2,827,304	17,259	1.26
Telstra	16,448,517	33,368	2.44
Transurban Group	596,006	4,666	0.34
Woolworths Group	1,033,454	21,252	1.55
		<b>140,248</b>	<b>10.25</b>
<b>Bermuda 1.36% (1.14%)</b>			
Kerry Properties	8,148,500	18,600	1.36
		<b>18,600</b>	<b>1.36</b>
<b>Cayman Islands 4.98% (5.44%)</b>			
China Resources Land	8,884,000	26,226	1.92
Pacific Textiles Holdings	10,457,000	4,183	0.30
Sands China	9,751,600	27,940	2.04
Shenzhou International Group Holdings	605,100	9,816	0.72
		<b>68,165</b>	<b>4.98</b>
<b>China 8.91% (10.46%)</b>			
China Construction Bank H	31,187,000	16,137	1.18
China Life Insurance H	15,361,000	19,939	1.46
China Petroleum & Chemical H	54,048,000	18,845	1.38
Midea Group A	3,628,141	28,784	2.10
Midea Group (UBS) Warrant 27/05/2022	1,888,259	14,999	1.10
Ping An Insurance Group Co. of China H	3,413,500	23,108	1.69
		<b>121,812</b>	<b>8.91</b>
<b>Hong Kong 10.19% (10.59%)</b>			
BOC Hong Kong Holdings	14,042,500	33,462	2.44
Hang Lung Properties	13,526,000	23,758	1.74
HKT Trust & HKT	31,560,000	31,101	2.27
Hong Kong Exchanges & Clearing	104,400	4,884	0.36
Link REIT	4,218,500	29,383	2.15
Swire Properties	8,081,000	16,801	1.23
		<b>139,389</b>	<b>10.19</b>
<b>Indonesia 1.97% (1.53%)</b>			
Bank Mandiri Persero	51,766,200	15,044	1.10

	Holding at 15.7.21	Market Value £000's	% of net assets
<b>Telkom Indonesia Persero</b>			
	76,277,200	11,833	0.87
		<b>26,877</b>	<b>1.97</b>
<b>Ireland 1.35% (1.13%)</b>			
James Hardie Industries CDI	758,901	18,493	1.35
		<b>18,493</b>	<b>1.35</b>
<b>New Zealand 0.98% (0.85%)</b>			
Fletcher Building	3,688,022	13,405	0.98
		<b>13,405</b>	<b>0.98</b>
<b>Singapore 12.52% (10.88%)</b>			
CapitaLand Integrated Commercial Trust REIT	14,274,940	16,111	1.18
Fortune Real Estate Investment Trust	12,677,000	9,851	0.72
Mapletree Commercial Trust REIT	8,848,521	9,978	0.73
Mapletree Industrial Trust REIT	9,419,805	14,349	1.05
Oversea-Chinese Banking	4,565,332	29,229	2.14
Singapore Exchange	3,353,800	20,072	1.47
Singapore Telecommunications	16,741,100	20,127	1.47
Suntec Real Estate Investment Trust	15,009,900	12,056	0.88
United Overseas Bank	1,569,300	21,710	1.59
Venture	1,759,800	17,729	1.29
		<b>171,212</b>	<b>12.52</b>
<b>South Korea 14.39% (15.54%)</b>			
Hana Financial Group	451,110	12,450	0.91
KB Financial Group	275,571	9,006	0.66
LG Chem Preference	32,221	7,641	0.56
Samsung Electronics	797,351	40,569	2.97
Samsung Electronics Preference	1,666,376	76,902	5.62
Samsung Fire & Marine Insurance	144,287	19,996	1.46
SK Telecom	149,437	30,185	2.21
		<b>196,749</b>	<b>14.39</b>
<b>Taiwan 22.11% (21.23%)</b>			
ASE Technology Holding	6,681,000	20,552	1.50
CTBC Financial Holding	19,000,000	11,129	0.82
Delta Electronics	3,660,000	30,219	2.21
Hon Hai Precision Industry	16,520,548	50,654	3.70
MediaTek	773,000	18,945	1.39
Mega Financial Holding	13,681,613	11,618	0.85
Novatek Microelectronics	1,528,000	19,632	1.44

# Portfolio Statement (continued)

	Holding at 15.7.21	Market Value £000's	% of net assets
Taiwan Semiconductor Manufacturing	7,497,333	118,350	8.65
Uni-President Enterprises	11,230,000	21,231	1.55
		<b>302,330</b>	<b>22.11</b>
<b>Thailand 1.64% (2.18%)</b>			
Kasikornbank NVDR	5,421,700	13,765	1.00
Land & Houses NVDR	49,090,500	8,712	0.64
		<b>22,477</b>	<b>1.64</b>

	Holding at 15.7.21	Market Value £000's	% of net assets
<b>United Kingdom 6.21% (5.56%)</b>			
BHP Group	2,867,556	64,592	4.72
Rio Tinto	331,585	20,366	1.49
		<b>84,958</b>	<b>6.21</b>
<b>Equities total</b>		<b>1,324,715</b>	<b>96.86</b>
<b>Portfolio of investments</b>		<b>1,324,715</b>	<b>96.86</b>
<b>Net other assets</b>		<b>42,962</b>	<b>3.14</b>
<b>Net assets attributable to unitholders</b>		<b>1,367,677</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 15 January 2021.  
Unless otherwise stated, all securities are admitted to official stock exchange listings.



## Statement of Total Return (unaudited)

For the six months ended 15 July 2021

	15.7.21	15.7.20
	£000's	£000's
<b>Income</b>		
Net capital losses	(21,763)	(112,571)
Revenue	27,210	27,728
Expenses	(6,100)	(5,770)
Net revenue before taxation	<b>21,110</b>	<b>21,958</b>
Taxation	(1,929)	(1,596)
Net revenue after taxation	<b>19,181</b>	<b>20,362</b>
<b>Total return before distributions</b>	<b>(2,582)</b>	<b>(92,209)</b>
Distributions	(24,857)	(25,518)
<b>Change in net assets attributable to unitholders from investment activities</b>	<b>(27,439)</b>	<b>(117,727)</b>

## Statement of Change in Net Assets Attributable to Unitholders (unaudited)

For the six months ended 15 July 2021

	15.7.21	15.7.20
	£000's	£000's
Opening net assets attributable to unitholders	1,404,407 <sup>^</sup>	1,472,957
Amounts receivable on issue of units	91,067	50,924
Amounts payable on cancellation of units	(108,149)	(173,105)
	<b>(17,082)</b>	<b>(122,181)</b>
Dilution adjustment	41	155
Change in net assets attributable to unitholders from investment activities	(27,439)	(117,727)
Retained distribution on Accumulation units	7,750	8,310
Unclaimed distributions	–	1
<b>Closing net assets attributable to unitholders</b>	<b>1,367,677</b>	<b>1,241,515<sup>^</sup></b>

<sup>^</sup> The opening net assets attributable to unitholders for the current period do not equal the closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

## Balance Sheet (unaudited)

As at 15 July 2021

	15.7.21	15.1.21
	£000's	£000's
<b>Assets</b>		
Investments	1,324,715	1,348,944
<b>Current assets</b>		
Debtors	17,336	17,047
Cash and bank balances	46,381	64,113
<b>Total assets</b>	<b>1,388,432</b>	<b>1,430,104</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	(17,126)	(13,615)
Other creditors	(3,629)	(12,082)
<b>Total liabilities</b>	<b>(20,755)</b>	<b>(25,697)</b>
<b>Net assets attributable to unitholders</b>	<b>1,367,677</b>	<b>1,404,407</b>

# Notes to the Accounts (unaudited)

## Accounting policies

### Basis of preparation

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)).

The accounting policies applied are consistent with those of the annual accounts for the year ended 15 January 2021 and are described in those annual accounts.

# General Information

## Manager

Schroder Unit Trusts Limited  
1 London Wall Place  
London EC2Y 5AU  
Authorised and regulated by the Financial Conduct Authority

## Investment Adviser

Schroder Investment Management Limited  
1 London Wall Place  
London EC2Y 5AU  
Authorised and regulated by the Financial Conduct Authority

## Trustee

J.P. Morgan Europe Limited  
Chaseside  
Bournemouth BH7 7DA  
Authorised by the Prudential Regulation Authority and regulated  
by the Financial Conduct Authority and Prudential Regulation  
Authority

## Registrar

Schroder Unit Trusts Limited  
1 London Wall Place  
London EC2Y 5AU  
Authorised and regulated by the Financial Conduct Authority  
The Manager is responsible for maintaining the register for each Fund.  
It has delegated certain registrar functions to HSBC Bank Plc, 8 Canada  
Square, London, E14 8HQ.

## Administration Details

Schroders Investor Services  
PO BOX 1402  
Sunderland  
SR43 4AF

## Independent Auditors

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

## Authorisation

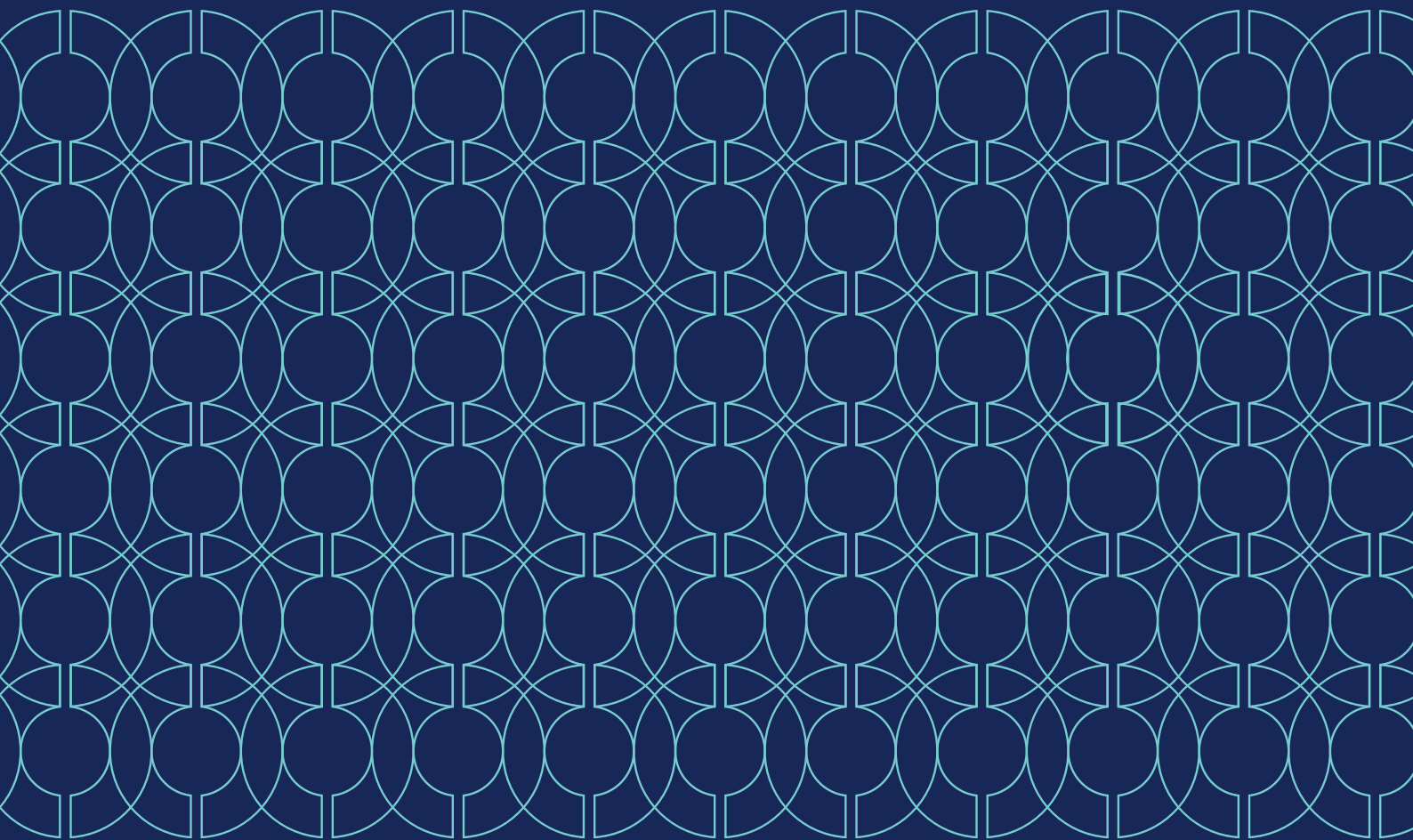
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

## Value Assessment

A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at [www.Schroders.com](http://www.Schroders.com) within 4 months of the annual 'reference date' 31 December.

## Other information

The Prospectus, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website [www.schroders.com](http://www.schroders.com).



EST. 1804

For further literature please contact Schroder Investor Services on 0800 182 2399 or [schrodersinvestor@HSBC.com](mailto:schrodersinvestor@HSBC.com) for Retail Clients, or 0345 030 7277 or [schrodersinstitutional@HSBC.com](mailto:schrodersinstitutional@HSBC.com) for Institutional Clients, or visit our website at [www.schroders.com](http://www.schroders.com).

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