

## Contents

<b>Fund Information<sup>1</sup></b>	<b>3</b>
<b>Fund Performance<sup>1</sup></b>	<b>3</b>
<b>Review of Investment Activities<sup>1</sup></b>	<b>4</b>
<b>Risk Profile<sup>1</sup></b>	<b>5</b>
<b>Statement of the Manager's Responsibilities</b>	<b>6</b>
<b>Portfolio Statement<sup>1</sup></b>	<b>7</b>
<b>Financial Statements (unaudited)</b>	<b>9</b>
<b>Notes to the Accounts (unaudited)</b>	<b>10</b>
<b>General Information<sup>1</sup></b>	<b>11</b>

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

# Fund Information

## Investment objective and policy

Schroder Asian Alpha Plus Fund (the 'Fund') aims to provide capital growth in excess of the MSCI AC Asia 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 Asian companies, excluding Japan.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of Asian companies, excluding Japan.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Fund benefits from the Investment Manager's established research capabilities in the Asia (excluding Japan) region that identifies companies with positive cash flow, balance-sheet strength and valuation support.

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 achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the Prospectus).

## Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI AC Asia 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 the 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.

## Total purchases and sales

	For the period to 31.12.23 £000's	For the year to 30.6.23 £000's
Total purchases	65,963	259,019
Total sales	176,651	360,219

# Fund Performance

	Number of units in issue 31.12.23	Net asset value per unit 31.12.23	Net asset value per unit 30.6.23
A Accumulation units	29,083,112	173.61p	174.93p
A Income units	757,359	161.40p	162.55p
L Accumulation units	143,496,500	116.28p	116.64p
L Income units	106,523,263	103.17p	103.50p
Q2 Accumulation units	33,897,290	69.08p	69.30p
S Income units	542,679,976	108.71p	108.90p
Z Accumulation units	271,933,269	127.57p	127.96p
Z Income units	52,820,496	111.10p	111.50p

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 30 June 2023 to 29 December 2023, the price of Z Accumulation units on a dealing price basis fell by 0.70%. In the same period, the MSCI All Country Asia ex Japan Index generated a net return of 2.59%<sup>1</sup> in sterling terms.**

Asian ex Japan equities produced a mildly positive return over the six-month period to 31 December. However, they continued to underperform developed world markets as they have done throughout the year. India was by far and away the strongest market, benefiting from robust economic growth and gradually falling inflation. A strong showing by the ruling Bharatiya Janata Party in key state elections in December ensured a strong rally in the final month of the year. Taiwan also performed well, driven by its burgeoning technology sector, while Malaysia was another notable performer. China and Hong Kong produced negative returns and significantly underperformed the benchmark index. This was largely due to ongoing concerns about China's sluggish economic growth and the difficulties faced by its property sector.

Against this backdrop, the Fund produced a marginally negative return and underperformed the target benchmark. The negative relative returns were primarily due to weak stock selection. At the market level, selection was weakest in China, followed by India and Korea. Allocation had a largely neutral effect, with the benefit from the underweight exposure to China being largely offset by the negative impact from the overweighting of Hong Kong. At the sector level, stock selection was notably weak in consumer discretionary. However, sector allocation was a positive factor, with the overweight positioning in information technology (IT) proving beneficial.

Regarding portfolio composition, the greatest overweight positions are in Hong Kong and Singapore, although the overweight in the former was reduced mildly during the period. The overweight in Hong Kong is balanced by the significant underweighting of China. The Fund continues to have small off-benchmark positions in Australia and Vietnam. On a sector basis, the greatest overweights are in IT and financials. Offsetting this are meaningful underweight positions in consumer discretionary and consumer staples, while we have no exposure at all to utilities.

Many investors appear to be anticipating a soft landing for the US economy, in which growth slows in 2024, but there is no recession, and inflation eases towards the Federal Reserve's target. This could allow the commencement of rate cuts this year.

Disappointing Chinese macroeconomic data and the lacklustre policy response in recent months are undermining confidence. However, given the extremes of negative sentiment, there is still room for the authorities to surprise positively with better-coordinated policy support going forward. We continue to look for bottom-up opportunities there that have upside to fair value on a medium to long-term investment horizon. In India, while valuations look elevated in many sectors, we continue to see strong longer-term fundamentals in areas such as private sector banks and IT services, which remain core positions in the Fund.

Aggregate valuations for regional equities are now back at below longer-term average levels, which may provide some downside support. We remain very selective in our exposure, given the continued uneven nature of the recovery in the region, and disciplined about valuations.

**Fund Manager:  
Richard Sennitt**



Investment career commenced in 1993, upon joining Schroders

Currently a fund manager for Pacific Equities based in London. Solely focussed on Pacific Equities having handed over Global Small Cap responsibilities at the end of 2020

In 2007, whilst maintaining specialist Pacific fund management responsibilities, Richard joined the Global Small Cap team. In 1997, he moved onto the Pacific team, where he had a broad exposure to both developed and emerging markets as a regional fund manager. Richard initially joined Schroders in 1993, as an analyst on the Japanese Equity Team Associate member of the UK Society of Investment Professionals (UKSIP). Member of the CFA Institute BA, Oxford University

**Fund Manager:  
Abbas Barkhordar**



Abbas is currently a Fund Manager, Pacific Equities having joined the Asian specialist team in July 2020

Joined Schroders in 2007 on the graduate scheme as an analyst on the Emerging Market Equities team

Strategy Analyst for the Global Emerging Markets funds from 2007-2014. This involved specifying and back-testing quantitative models to guide the funds' asset allocation, as well as producing written research into economic, sector, industry and thematic trends

Senior Analyst for the Frontier Markets fund since its launch in 2010. Regional coverage included all of Frontier Asia

In addition to equity analysis, the role involved strategy, risk management and significant input into portfolio construction Master's Degree in Physics (MPhys) from Oxford University CFA Charterholder since 2011

<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 Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net revenue and the net capital losses on the property of the Fund for the period.

In preparing the accounts the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**P. Chislett**

Directors

22 February 2024

**J. Rainbow**

# Portfolio Statement

	Holding at 31.12.23	Market Value £000's	% of net assets
<b>Equities 95.37% (95.42%)</b>			
<b>Australia 2.04% (1.92%)</b>			
BHP Group	504,717	13,574	1.01
Orica	1,633,751	13,931	1.03
		<b>27,505</b>	<b>2.04</b>
<b>Bermuda 0.54% (0.83%)</b>			
Kerry Properties	5,076,000	7,282	0.54
		<b>7,282</b>	<b>0.54</b>
<b>Cayman Islands 10.12% (12.18%)</b>			
Alibaba Group Holding	3,477,840	26,396	1.96
ASMPT	882,800	6,607	0.49
Shenzhou International Group Holdings	2,553,900	20,615	1.53
Tencent Holdings	2,458,600	72,417	5.37
Wuxi Biologics Cayman	3,466,000	10,306	0.77
		<b>136,341</b>	<b>10.12</b>
<b>China 6.17% (6.54%)</b>			
Contemporary Amperex Technology	610,220	11,018	0.82
Hongfa Technology	3,505,212	10,704	0.80
Midea Group	2,283,428	13,797	1.02
Midea Group 08/07/2024	1,687,919	10,201	0.76
Ping An Insurance Group Co. of China	2,814,500	9,981	0.74
Sany Heavy Industry	8,603,613	13,094	0.97
Shenzhen Inovance Technology	2,050,014	14,317	1.06
		<b>83,112</b>	<b>6.17</b>
<b>Hong Kong 11.24% (12.84%)</b>			
AIA Group	6,747,000	46,124	3.42
BOC Hong Kong Holdings	12,562,500	26,629	1.98
Galaxy Entertainment Group	3,164,000	13,906	1.03
Hang Lung Group	9,218,000	9,834	0.73
Hang Lung Properties	5,643,000	6,145	0.46
Hong Kong Exchanges & Clearing	819,000	22,017	1.63
Swire Properties	5,069,800	8,047	0.60
Techtronic Industries	2,004,500	18,737	1.39
		<b>151,439</b>	<b>11.24</b>
<b>India 19.10% (16.16%)</b>			
Apollo Hospitals Enterprise	577,613	31,063	2.31
HDFC Bank	3,727,404	60,034	4.46
ICICI Bank	4,235,010	39,803	2.95
ICICI Bank ADR	571,505	10,674	0.79
Infosys	1,932,063	28,085	2.08
Mphasis	694,551	17,907	1.33
Phoenix Mills	907,010	19,181	1.42

	Holding at 31.12.23	Market Value £000's	% of net assets
Reliance Industries	869,480	21,188	1.57
Tata Consultancy Services	822,801	29,444	2.19
		<b>257,379</b>	<b>19.10</b>
<b>Indonesia 2.58% (2.30%)</b>			
Bank Mandiri Persero	113,149,000	34,732	2.58
		<b>34,732</b>	<b>2.58</b>
<b>Italy 1.08% (1.44%)</b>			
PRADA	3,241,700	14,541	1.08
		<b>14,541</b>	<b>1.08</b>
<b>Philippines 0.83% (0.00%)</b>			
SM Investments	902,670	11,150	0.83
		<b>11,150</b>	<b>0.83</b>
<b>Singapore 8.48% (7.65%)</b>			
DBS Group Holdings	1,255,200	24,901	1.85
Oversea-Chinese Banking	4,530,429	34,970	2.60
Singapore Exchange	3,612,300	21,052	1.56
Singapore Telecommunications	18,258,200	26,710	1.98
Venture	820,400	6,640	0.49
		<b>114,273</b>	<b>8.48</b>
<b>South Korea 10.96% (12.42%)</b>			
Samsung Electronics	2,248,090	107,351	7.97
Samsung Electronics Preference	656,137	24,858	1.84
Samsung SDI	53,741	15,433	1.15
		<b>147,642</b>	<b>10.96</b>
<b>Taiwan 15.94% (15.05%)</b>			
Delta Electronics	2,272,000	18,176	1.35
Giant Manufacturing	3,002,046	14,119	1.05
Hon Hai Precision Industry	4,512,246	11,994	0.89
MediaTek	1,549,000	39,988	2.97
Taiwan Semiconductor Manufacturing	8,620,510	130,439	9.68
		<b>214,716</b>	<b>15.94</b>
<b>Thailand 2.58% (1.72%)</b>			
Bangkok Dusit Medical Services NVDR	25,404,200	16,055	1.19
Kasikornbank NVDR	6,074,200	18,776	1.39
		<b>34,831</b>	<b>2.58</b>
<b>United Kingdom 1.62% (2.34%)</b>			
Rio Tinto	374,420	21,874	1.62
		<b>21,874</b>	<b>1.62</b>
<b>United States of America 1.17% (1.11%)</b>			
Yum China Holdings (HKD)	290,550	9,690	0.72
Yum China Holdings (USD)	183,857	6,101	0.45
		<b>15,791</b>	<b>1.17</b>

# Portfolio Statement (continued)

	Holding at 31.12.23	Market Value £000's	% of net assets
<b>Vietnam 0.92% (0.92%)</b>			
Vietnam Dairy Products	5,676,100	12,406	0.92
		<b>12,406</b>	<b>0.92</b>
<b>Equities total</b>		<b>1,285,014</b>	<b>95.37</b>
<b>Collective Investment Schemes 3.26% (3.82%)</b>			
<b>Asia Pacific ex Japan Equity Funds 3.26% (3.82%)</b>			
Schroder AsiaPacific Fund <sup>§</sup>	4,364,689	21,387	1.59

	Holding at 31.12.23	Market Value £000's	% of net assets
Vietnam Enterprise Investments <sup>§</sup>	4,047,321	22,544	1.67
		<b>43,931</b>	<b>3.26</b>
<b>Collective Investment Schemes total</b>		<b>43,931</b>	<b>3.26</b>
<b>Portfolio of investments</b>		<b>1,328,945</b>	<b>98.63</b>
<b>Net other assets</b>		<b>18,470</b>	<b>1.37</b>
<b>Net assets attributable to unitholders</b>		<b>1,347,415</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 June 2023.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

§ Closed ended Fund.

## Statement of Total Return (unaudited)

For the six months ended 31 December 2023

	31.12.23		31.12.22	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital losses		(11,900)		(19,774)
Revenue	16,629		21,099	
Expenses	(5,368)		(6,079)	
Net revenue before taxation	<b>11,261</b>		<b>15,020</b>	
Taxation	(4,870)		(4,825)	
Net revenue after taxation		<b>6,391</b>		<b>10,195</b>
<b>Total return before distributions</b>		<b>(5,509)</b>		<b>(9,579)</b>
Distributions		(466)		(381)
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(5,975)</b>		<b>(9,960)</b>

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

For the six months ended 31 December 2023

	31.12.23		31.12.22	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		1,462,666 <sup>^</sup>		1,610,616
Amounts receivable on issue of units	36,511		35,984	
Amounts payable on cancellation of units	(145,869)		(112,037)	
		<b>(109,358)</b>		<b>(76,053)</b>
Dilution adjustment		82		5
Change in net assets attributable to unitholders from investment activities		(5,975)		(9,960)
<b>Closing net assets attributable to unitholders</b>		<b>1,347,415</b>		<b>1,524,608<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 31 December 2023

	31.12.23	30.6.23
	£000's	£000's
<b>Assets</b>		
Investments	1,328,945	1,451,517
<b>Current assets</b>		
Debtors	9,160	13,213
Cash and bank balances	24,038	29,982
<b>Total assets</b>	<b>1,362,143</b>	<b>1,494,712</b>
<b>Liabilities</b>		
Provisions for liabilities	(10,830)	(7,451)
<b>Creditors</b>		
Bank overdrafts	(180)	-
Distributions payable	-	(17,401)
Other creditors	(3,718)	(7,194)
<b>Total liabilities</b>	<b>(14,728)</b>	<b>(32,046)</b>
<b>Net assets attributable to unitholders</b>	<b>1,347,415</b>	<b>1,462,666</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 Manager has undertaken a detailed assessment of the Fund's ability to meet its liabilities as they fall due, including liquidity, fluctuations in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months after the financial statements are signed and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

The accounting policies applied are consistent with those of the annual accounts for the year ended 30 June 2023 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 Auditor

KPMG LLP  
319 St Vincent Street  
Glasgow G2 5AS

## 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

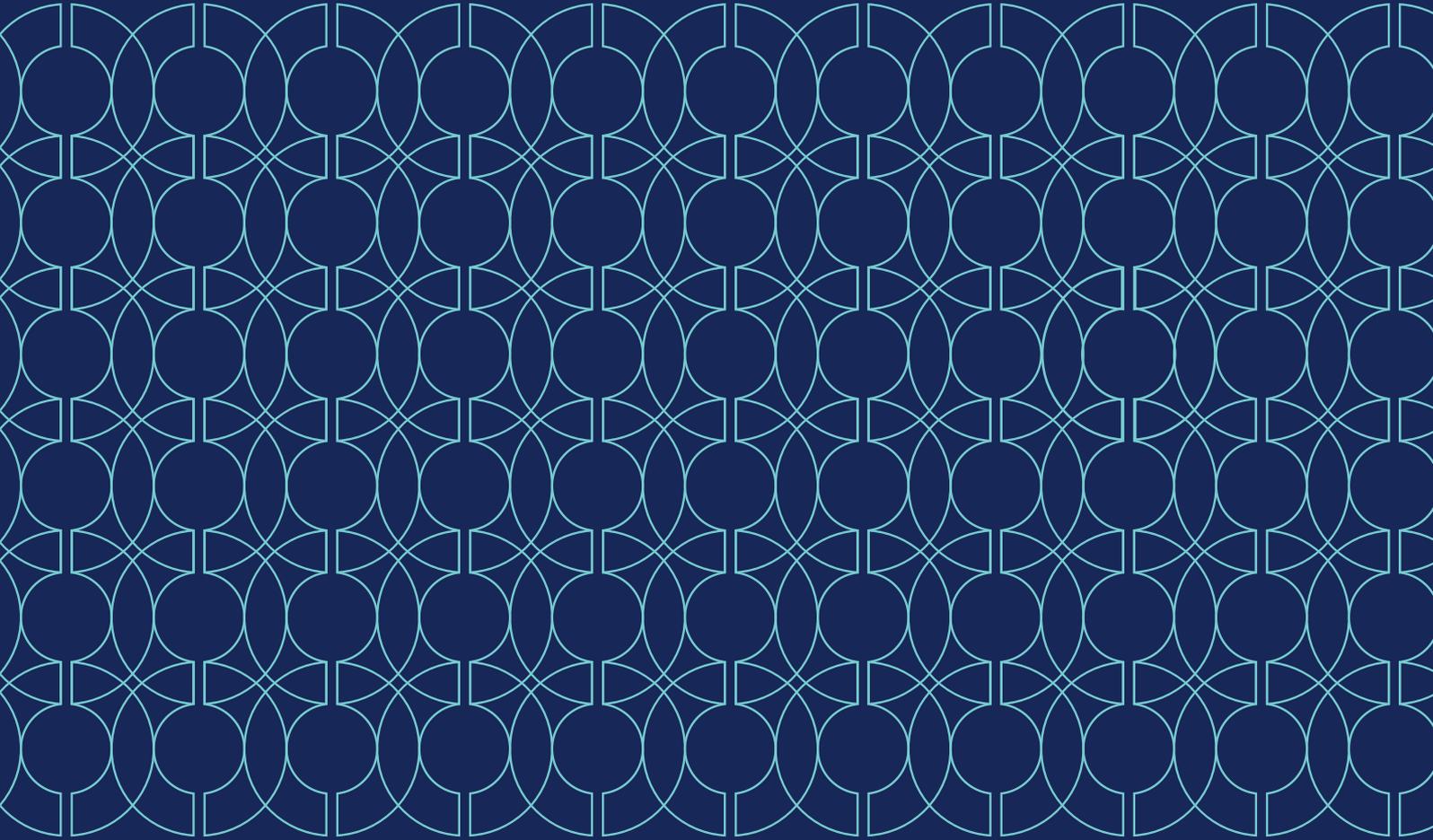
A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at [www.Schroders.com](http://www.Schroders.com) within 4 months of the annual 'reference date' 31 December.

## Task Force on Climate-Related Financial Disclosures

A statement on the climate related financial disclosures is published at [www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/](http://www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/).

## 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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