

# Schroder Oriental Income Fund Limited



Half Year Report  
For the six months ended 28 February 2025

**Schroders**





## Performance Summary

NAV per share total return\*

**2.5%**

29 February 2024: 7.5%  
31 August 2024: 18.2%

Share price total return\*

**4.9%**

29 February 2024: 5.6%  
31 August 2024: 15.3%

Share price discount to NAV per share\*

**5.1%**

29 February 2024: 6.4%  
31 August 2024: 7.1%

Some of the financial measures are classified as APMs, 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 pages 26 and 27 together with supporting calculations where appropriate.

## Investment objective

The investment objective of the Company is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields.

## Why invest in the Company?

Asian companies are increasingly world-leading, and are returning cash to shareholders. Schroder Oriental Income Fund Limited (the "Company") aims to tap into the Asian income story and help investors diversify their dividends.

- **Offering a reliable, yet diversified, source of growing income**

By focusing on quality companies with attractive dividend growth prospects, the Company's Investment Manager is confident in the portfolio's income generating potential. Having grown its dividend every year since launch, the Company is classed in the AIC's next generation of dividend heroes.

- **A disciplined focus on companies with excellent long-term growth prospects**

The Company is well placed to capitalise on the growing prominence of Asian companies that are transforming their sectors, providing investors with the potential for an attractive level of capital growth as well as income.

- **Rely on decades of deep expertise**

Schroders is an acknowledged expert in Asian equity investing. The Investment Manager draws upon the extensive resources of Schroders' Asia Pacific equities research team based in six offices across the region, as well as Schroders' London-based specialists. The strength of these resources gives the portfolio manager an advantage in under-researched and inefficient markets.

The Investment Objective of the Company is set out above. For details on the Company's Investment Policy please see the Annual Report and Accounts. This report should be read in conjunction with the Annual Report and Accounts before investing; these are also available on the Company's website.

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 investments to fall as well as rise.

Relevant risks associated with this Company can be found on page 30. These should be carefully considered before making any investment.



## Revenue return per share

**2.95p**29 February 2024: 2.84p  
31 August 2024: 11.29p

## NAV per share

**288.77p**29 February 2024: 267.12p  
31 August 2024: 289.63p

## Net revenue return after taxation

**£7.0m**29 February 2024: £7.1m  
31 August 2024: £27.9m

## Gearing\*

**5.5%**29 February 2024: 5.5%  
31 August 2024: 4.4%

## Share price

**274.0p**29 February 2024: 250.0p  
31 August 2024: 269.0p

## Ongoing charges\*

**0.88%**29 February 2024: 0.90%  
31 August 2024: 0.88%

## Interim Management Report

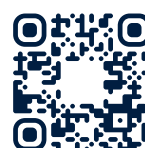
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# Interim Management Report

## **Interim Management Report**

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*Our strategy of investing in income-producing companies with strong balance sheets that can successfully navigate today's challenges has never felt more relevant to investors, and the Board believes that the portfolio management team remains well placed to capitalise on these investment opportunities.*



I am pleased to present my first interim report as Chairman of the Company. I would like to begin by thanking Paul Meader, the outgoing Chair, for his commitment, dedication and wisdom over the past eight years. The Company performed well under Paul's leadership and I look forward to building on this success, working with my colleagues on the Board and the investment team at Schroders, to deliver strong returns to you, our shareholders.

### Performance

The period under review was characterised by two distinct factors affecting Asia-Pacific markets: an initial rally in China as a result of government stimulus, which subsequently faltered due to a lack of further support measures, and a later period of volatility across the region as investors sought to digest the implications of Donald Trump's election for a second term as US president. In addition to the uncertainty created by the election of President Trump, a firmer outlook for interest rates and a stronger dollar also negatively impacted sentiment across the region.

Against this backdrop, the Company's NAV per share total return was +2.5%, which lagged the Reference Index (MSCI AC Pacific ex Japan (Net of Dividends Reinvested) Index in Sterling terms) return of +10.4%. The share price total return for the six months ended 28 February 2025 was +4.9%. This performance gap was largely as a result of being underweight China, where we remain cautious due to the significant economic challenges facing the government, and where technology stocks were the main beneficiaries of the rally. These companies generally do not pay dividends and fall outside the investment mandate of the Company. We have experienced similar short-term performance gaps in the past and remain confident in the medium-term outlook.

You can read a more detailed account of company performance in the Investment Manager's Report on page 6.

### Outlook

The outlook for global investment markets has become increasingly uncertain. President Trump's inauguration came late on in our first-half reporting period, and while he quickly signed a slew of executive orders in his first weeks in office, these were largely focused on domestic and border matters rather than on broader

international trade. More recently there has been a marked shift, with the announcement of significant tariffs on US trading partners across the world, some of the highest of which were seen in Asia: Cambodia (49%); Vietnam (46%); Thailand (36%) and Taiwan (32%), the latter being a critical element of the global technology supply chain.

At the time of writing, these tariffs have been 'paused' (scaled back to 10%) for 90 days to allow time for bilateral negotiations. Meanwhile, President Trump and Xi of China are engaged in an escalating battle of tit-for-tat tariff increases, which has unsettled investors around the world. These factors present a significant challenge to the recent trend in global manufacturing, which had seen US-domiciled businesses, such as Apple, shift some of its production of iPhones, iPads, MacBooks, and AirPods from China to Vietnam and India.

Nevertheless, the economies of Asia remain among the fastest growing in the world, according to the latest International Monetary Fund forecasts, and this growth is being increasingly driven from within the region itself. The Asian Development Bank has noted that 52% of the foreign direct investment in Asia is intra-regional and the degree of Asia's trade integration is now comparable to that of the European Union and the UK. If the region can continue on this path, then the long-term prospects for your Company and the businesses in which it invests should remain favourable, regardless of how the dust from President Trump's tariff war settles.

### Discount Management

The Board endorses share buybacks when the market price significantly undervalues the portfolio and closely monitors the Company's share price relative to its NAV, committing to repurchasing shares to effectively manage this situation. During the six months to 28 February 2025, the Company repurchased 9,632,000 ordinary shares. The Board remains confident in the intrinsic value of the Company's investments and will continue to repurchase shares when it meaningfully enhances asset value per share.



## Revenue and Dividends

The Company paid a first interim dividend for the year ending 31 August 2025 of 2.00 pence per share (2024: 2.00 pence per share) on 14 February 2025. A second interim dividend of 2.00 pence per ordinary share was paid on 16 May 2025 to shareholders on the register at close on 2 May 2025.

The income from investments received by the Company during the first half of the financial year has fallen marginally by 1.3% compared to the same period last year. The Company has revenue reserves of £23,657,000 (equivalent to 10.19 pence per share) after paying the first interim dividend. Such reserves are available to support the level of dividend you receive. This ability remains a key advantage of investment trusts over other savings and investment vehicles.

In the short-term, volatility is likely to prevail, and, in such an environment, dividends stand out as a reliable anchor. The Asia-Pacific markets produce some of the highest dividend yields globally, yet pay-out ratios are below the global average, suggesting considerable scope for future dividend growth. Furthermore, several Asian nations (including China, India, Japan, and Korea) have made or are implementing corporate governance reforms to encourage a greater focus on shareholder returns. Companies that prioritise rewarding their shareholders through dividends often possess defensive qualities such as strong balance sheets and consistent earnings, and this has underpinned the historically observed ability of yield-focused investment strategies to outperform during times of market stress.

Having grown its dividend every year since launch, the Company is classed in the AIC's next generation of dividend heroes and it remains the Board's aim to achieve full dividend hero status on the completion of twenty years of consecutive dividend growth next year.

## Gearing

The Company has established a £100 million revolving credit facility with The Bank of Nova Scotia. During the period, the average gearing was 5.5%, contributing modestly, net of financing costs, to the Company's overall performance.

## Summary

Asian countries are grappling with uncertainty regarding potential trade restrictions/tariffs under the Trump administration, especially in relation to China. This unpredictability, coupled with rising US interest rates, volatile exchange rates and the challenges facing the Chinese economy, are likely to weigh on regional stock performance. Against this background, our strategy of investing in income producing companies with strong balance sheets that can successfully navigate today's challenges has never felt more relevant to investors, and the Board believes that the portfolio management team remains well placed to capitalise on these investment opportunities.

### Nick Winsor

Chairman

21 May 2025



Richard Sennitt



*Over the past decade, the Company has delivered an impressive cumulative NAV total return of +116.3%, outperforming the Reference Index which returned +83.3%.*



### Ten Year Cumulative Performance - Total Returns

	6 months	1 year	3 years	5 years	10 years
Share Price	+4.9	+14.6	+19.4	+59.9	+103.8
Net Asset Value <sup>1</sup>	+2.5	+12.7	+18.6	+53.1	+116.3
Reference index	+10.4	+17.5	+10.4	+25.3	+83.3

Source: Morningstar, 28 February 2025, net of fees. All data is after fees. Share price data is now sourced from Morningstar. The Reference Index is the MSCI AC Pacific ex Japan. <sup>1</sup>Cum-income fair NAV.

Asia-Pacific (ex Japan) markets in the six months to end of February 2025 were dominated by shifting sentiment towards China, as well as the impact on Asia of the election of Donald Trump for a second term as US president. Against this backdrop, China was the standout performer, accounting for a significant portion of the total return of the Reference Index, which was up 10.4% over the period in sterling.

The net asset value per share of the Company also delivered a positive return, but meaningfully lagged the Reference Index over the period, recording a total return of +2.5% over the six months to end February 2025. This relative underperformance was in large part due to our underweight positioning in China. It should also be said that it was a tough period for income-orientated investors, with the top three quintiles of the region by dividend yield (that is, the highest-yielding 60% of the market) all lagging the Reference Index and the lowest-yielding quintile up more than 20% – double the return of the index. During the period, two interim dividends have been declared totalling 8.00p (H1 2024: 7.80p).

This report delves further into the drivers of this performance, as well as factors influencing the current investment landscape and the potential implications for investors.

Source: Schroders, Morningstar, in GBP, Cum-income fair NAV.

### Performance of the Reference Index in GBP and USD – 31 August 2024 to 28 February 2025



Source: Thompson Datastream as at 28 February 2025.

At the full year, we identified the outlook for China and the US elections as the likely key drivers for Asian markets. In China, the market initially rallied very strongly on the back of a much more coordinated set of stimulus announcements in September. However,



the lack of further meaningful measures disappointed, which saw the market pull back and move sideways for much of the rest of 2024. Meanwhile, regional sentiment took a knock with the election of President Trump in November, with his approach to trade tariffs and expected stimulatory economic agenda seeing interest rate expectations and the dollar strengthen – usually an unfavourable combination for Asia. It was also a period marked by a strong outperformance of growth versus value stocks (that is, higher priced stocks with faster earnings growth prospects versus those that are perceived as trading below their intrinsic value trading on relatively low valuations often with high yields), which has historically not been a great backdrop for income strategies, given growth companies' lower propensity for paying out dividends.

The other major catalyst for the Chinese market during the review period occurred towards the end of January, when artificial intelligence (AI) business DeepSeek launched a new large language model (LLM) apparently developed at the fraction of the cost of the US market leaders such as ChatGPT. This saw a surge in the share prices of a number of China's internet platform companies, which were perceived as beneficiaries of this development. Unfortunately, this was a headwind for our relative performance given these companies in general pay little in the way of dividends, and therefore tend to be unattractive in the context of the Company's investment criteria.

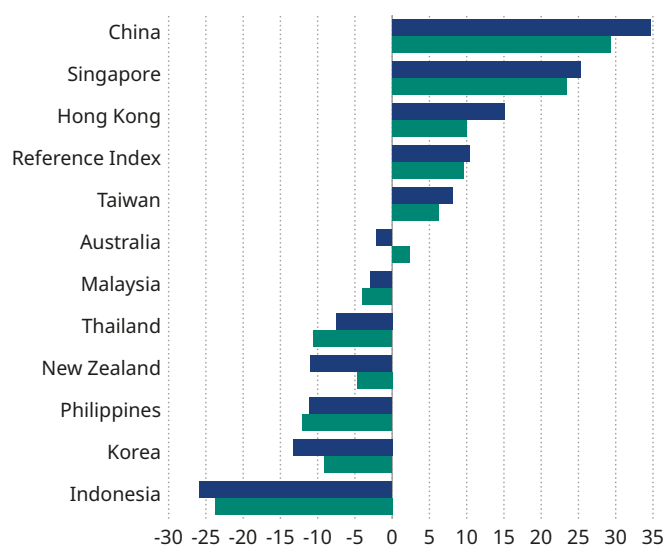
The other consequence of the launch of this 'low cost' AI model was to call into question the need for the current and anticipated high level of spending on AI-related semiconductors, which caused a lot of the technology names related to capital spending in this area to sell off. This saw a meaningful correction in Taiwan, with a number of companies exposed to the Nvidia supply chain being notably weak.

Across the region, the spread of returns was particularly high. Alongside China, the only markets to outperform the Reference Index were Hong Kong and Singapore. Hong Kong benefitted from the positive sentiment towards China, but lagged mainland returns by a considerable margin in part due to the change in interest rate outlook for the US, where 'higher for longer' is a headwind given the combination of a currency peg to the US dollar and a weaker domestic economy. Singapore, on the other hand, benefitted from the higher rates outlook given its large weighting to financials, as higher interest rates tend to be positive for banks' net interest margins.

Looking at the laggards, Korea was the weakest market, impacted by the political chaos that ensued following the introduction of martial law there, which culminated in the impeachment and eventual removal from office of President Yoon Suk Yeol. Although the crisis itself was brief, it also impacted the currency and saw the market de-risk as investors sought relative safety. From a stock perspective, Samsung Electronics fell, with sentiment dented by the ongoing delays to its gaining qualification to supply high-bandwidth memory to Nvidia. Higher rates and the stronger dollar impacted smaller markets with weaker external accounts, including Indonesia and the Philippines. Sentiment in Indonesia was further affected by concerns over the new President's economic policies and potential appointments in his administration.

Of the major sectors, consumer discretionary and communications services were the standout outperformers at an index level, driven by the large Chinese weighting to the internet names which performed well. Financials also outperformed on higher rate expectations, whilst information technology (IT) lagged following a sell-off late in the period on concerns around demand for AI-related semiconductors as described earlier. Materials and energy were also weaker as commodity prices pulled back on concerns over supply and demand.

## Country returns of the Reference Index in GBP and local currency – 31 August 2024 to 28 February 2025

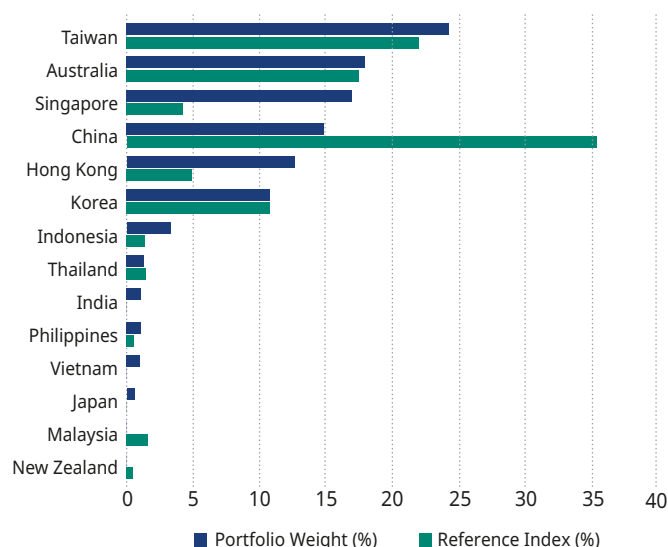


Source: Schroders, Factset.

## Positioning and performance

As we highlighted above, the Company made gains over the period, with a NAV total return of 2.5%, but considerably lagged the reference index return of 10.4%. However, over the past decade, the Company has delivered an impressive cumulative NAV total return of +116.3%, outperforming the Reference Index which returned +83.3%. The vast majority of our relative underperformance over the six months to 28 February 2025 came from one market – China – where our significant underweight allocation and stock selection (the relative impact of which includes stocks we do not own) both detracted. As previously mentioned, the strength of the rally in China was narrowly focused on the internet platform names, such as Alibaba, most of which pay little or no dividend, resulting in our having minimal exposure there. A partial offset to this came from our overweight to and stock selection in Hong Kong, with holdings in financials **Hong Kong Exchange** and **BOC Hong Kong** outperforming. Smaller drags came from our overweight positioning in Indonesia and stock selection in Korea, where the biggest detractor was the overweight to **Samsung Electronics**, for the reasons touched on earlier. Elsewhere there were positives from stock selection in Taiwan (fabless semiconductor design house **MediaTek** and semiconductor packager **ASE Technology**) and Thailand, where **Kasikornbank** materially outperformed. The overweight to Singapore was positive, albeit largely offset by negative stock selection there. From a sectoral perspective, positioning in Consumer Discretionary and Communications Services were the biggest drag due to our underweight to Chinese names in those sectors. Information technology also lagged thanks to our holding in **Samsung Electronics** and not owning Xiaomi, a Chinese smartphone and electric vehicle (EV) producer. Positively, stock selection in Materials (diversified mining groups **Rio** and **BHP**) and Real Estate (**China Resources Land** and **Hang Lung Group**) was strong, and the underweights to Healthcare, Utilities and Materials also contributed positively.

## Regional breakdown of portfolio (gearing\* currently at 5.5%)



\*Net cash less loans outstanding.

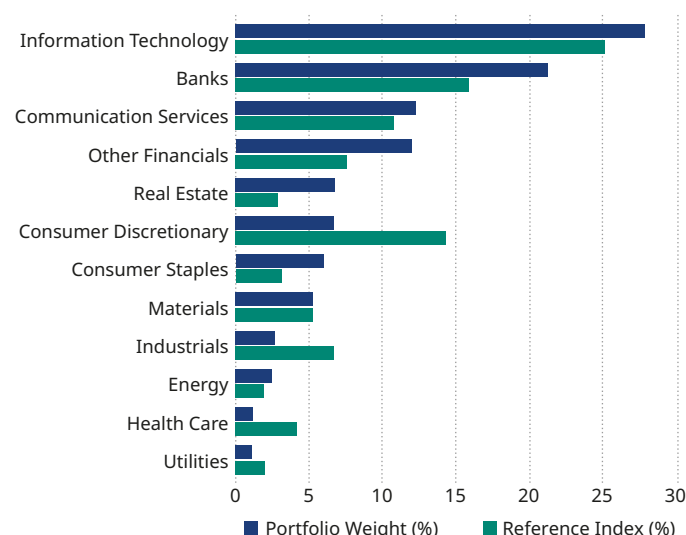
Source: Schroders as at 28 February 2025.

Geographically, the Company's portfolio continues to be focused on core Asia-Pacific (ex Japan) markets such as Taiwan, Australia, Singapore, China, and Hong Kong. China remains a substantial underweight versus the Reference Index, but we have selectively added there, as well as into Hong Kong. This has seen us initiate two new positions in mainland China. **Anta Sports** is a domestic sportswear company, with several leading and emerging brands in China. It is a key beneficiary of the long-term market share shift in China away from international sportswear names (such as Nike and Adidas) in favour of home-grown brands. We also added **Kweichow Moutai**, the producer of China's leading Baiju product, a premium alcoholic beverage. The strength of its brand and distribution network allows Moutai to earn superior returns, but it had de-rated along with other Chinese consumer stocks given the weak economy and consumer confidence, presenting a good buying opportunity. We have also added to our position in videogaming company **NetEase**, a new holding in the previous financial year. The underweight to China continues to be partly offset by an overweight to the Hong Kong market, which, in general, looks more attractive from a valuation perspective; there we have increased our position in regional insurer **AIA**. We also initiated an off-benchmark position in **Power Grid** in India, which had sold off recently along with the wider market. It is a beneficiary of the growth in transmission capacity of the Indian electricity network, with renewable solar and wind projects needing to be linked into the wider grid. Elsewhere, we continue to like Singapore, where we have positions in the banks and **Singapore Telecom**, as well as being overweight in some of the smaller markets such as Indonesia and the Philippines.

From a sectoral perspective our main additions were into some of the traditionally more defensive areas that had underperformed, such as Consumer Staples and Utilities. As mentioned, we bought new positions in Chinese staple Kweichow Moutai and Indian utility Power Grid. These additions were, in part, financed by reductions to Information Technology. Until recently, the IT sector had performed very strongly on the back of the AI thematic, where there are increasing signs that the market has got ahead of itself given question marks over the long-term sustainability of demand.

Therefore, in Taiwan we reduced our holdings in **Delta Electronics**, **TSMC** and **MediaTek**. We also reduced the size of our overweight position in **Samsung Electronics**, partly reflecting reduced conviction given disappointing execution, and sold out of **Venture**, a contract manufacturer in Singapore. In financials, we made a net reduction to our overweight by reducing our banks exposure, including selling out of **Westpac** and trimming some of the other Australian names, and exiting the small remaining position in **China Construction Bank**, which had performed well. Financials and IT remain the Company's two largest exposures, although we have brought down the size of the overweight to the latter for the reasons mentioned earlier.

## Sectoral breakdown of portfolio (gearing\* currently at 5.5%)



\*Net cash less loans outstanding.

Source: Schroders as at 28 February 2025

Any reference to regions/ countries/ sectors/ stocks/ securities is for illustrative purposes only and not a recommendation to buy or sell any financial instruments or adopt a specific investment strategy.

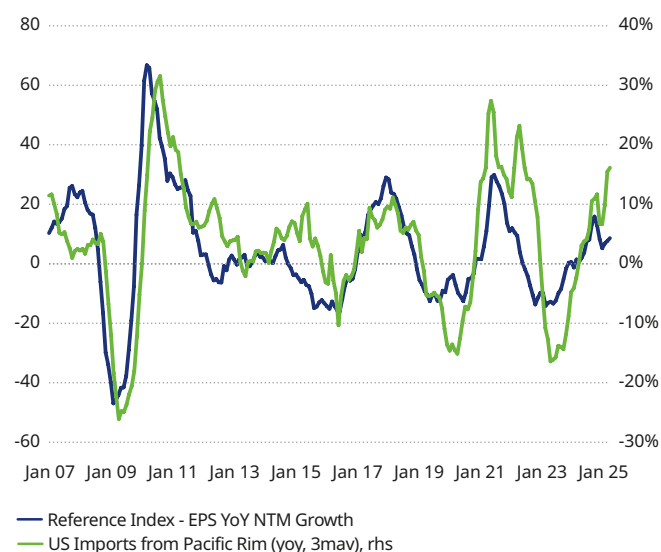
## Investment outlook

Perhaps of greatest concern for investors in Asia, at the time of writing, is the uncertainty around the longer-term impact of trade restrictions on countries in the region – and China in particular – as a result of punitive tariffs announced by the Trump administration. Here it is 'uncertainty' that is the key, rather than the absolute level of any tariffs. After all, we have already seen that any announcements coming from the White House can quickly be reversed, changed or forgotten. While the barriers to trade and investment have certainly risen from their levels prior to the end of the review period, the eventual extent and precise targets of increased restrictions remain hard to predict. Indeed, differential tariffs or restrictions (i.e. China facing greater barriers) could end up benefiting other exporting countries across Asia, which will become relatively more competitive. However, with President Trump having so far shown little distinction between allies and adversaries when it comes to trade policy, there is no guarantee that any country with a bilateral trade surplus with the US can avoid being further targeted. Asian exports remain a key driver for regional earnings (see chart) so the impact of policy here, as well as the broader strength of the US economy, will continue to be a key focus for markets given the size and scope of tariffs, at the time of writing, have materially exceeded expectations (even from those at the start of the year).



## Asia's earnings are historically correlated to exports

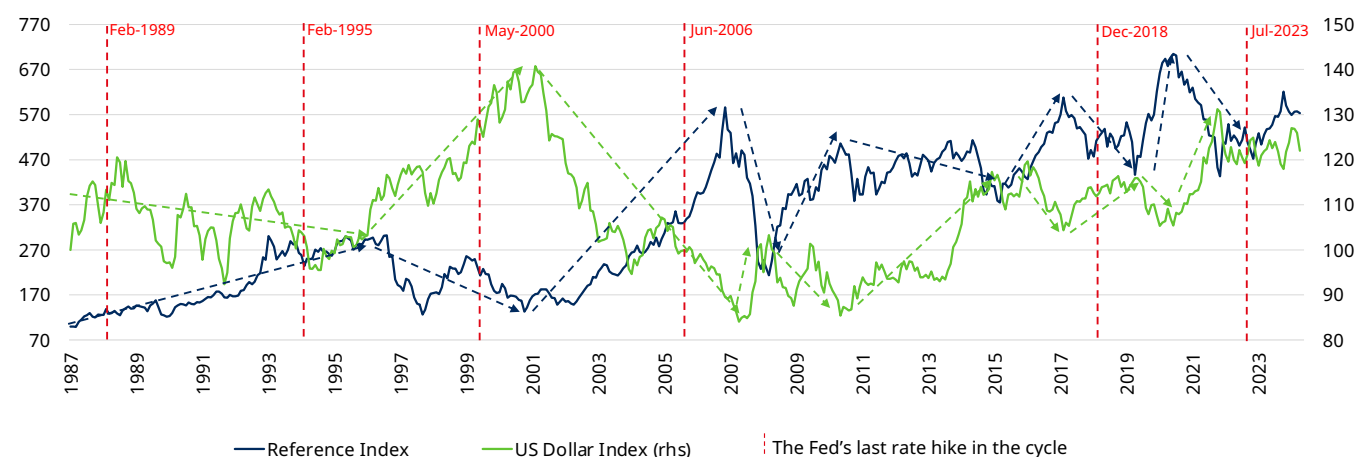
Rebased to 100



Source: Refinitiv, Factset, as at April 2025. Countries and regions shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Another key driver of Asian stock market performance is likely to be the path of US interest rates and the strength of the US dollar in coming years. Global bond and currency markets have already started to price in a 'higher for longer' interest rate outlook, driven by the incoming administration's protectionist and looser fiscal policies, which are seen as likely to lead to stickier inflation. This reassessment, together with an improved outlook elsewhere, has seen the dollar actually weaken since the beginning of the year, which (until "Liberation Day") was accompanied by a rally in Asian markets in line with historic precedent (see chart). That said, higher interest rates would likely prove a headwind for those countries with weaker external balances, including some of the ASEAN markets, although they could be a tailwind for other areas, including many Asian financial stocks.

## Softer dollar and US rates peaking would be supportive... 'higher for longer' rates may not be



Source: Refinitiv, Factset, as at April 2025. Countries and regions shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

The other major driver has been China. Within the region, the Chinese economy remains weak, as consumer confidence is still extremely low. Although the government has announced further measures to support the economy (extending and expanding subsidies for home appliances, EVs and other durable consumer products, for example), these remain quite small in scale and are unlikely to drive up growth significantly in the face of a still-contracting property market and declining private credit extension. More recently, the excitement around the success of the launch of DeepSeek's new LLM and what appears to be a more constructive approach towards the private sector, following a meeting between President Xi and top business leaders (including Jack Ma, the former leader of Alibaba) sparked hope that we could see an improvement in 'animal spirits' across the broader economy. Furthermore, some

investors expect the government to be more aggressive on stimulus once there is more clarity on the tariffs exporters will face under the new US administration, but there is scope for disappointment if this fails to materialise. Also, the recent surprise addition of internet platform company Tencent and battery maker Contemporary Amperex Technology (CATL) to a US Department of Defence list of Chinese military-linked companies underlined the ongoing uncertainties facing investors from US-China tensions.

With China's domestic and external sectors both facing challenges, we remain underweight the market, though we have added to some positions over the period. As a reminder, it is always likely we will be underweight China given the significant weighting in the index to internet platform companies, which pay relatively little

## Investment Manager's Review

### continued

from a dividend perspective. A focus on rewarding shareholders has become more prevalent in the market, but among these names it has been focused mainly on share buybacks rather than dividends.

We remain overweight Hong Kong, in part as an offset to our underweight to the China market but it continues to suffer not only from the spillover impacts of a weak China, but also the high level of interest rates, which, as noted earlier, are inappropriate for the weak domestic economy.

In the South-East Asian region, we are most exposed to Singapore, which is benefitting from its increasing status as a regional wealth management hub, as well as the growth of its ASEAN neighbours. We also have direct exposure to some of the smaller ASEAN markets, such as Indonesia, Vietnam, Thailand and the Philippines; however, while valuations look increasingly attractive in this region, they are some of the most exposed in Asia to higher global interest rates and a strong US dollar. As mentioned earlier, there is also some concern over the political developments in Indonesia which bear monitoring. India (which does not feature in our Reference Index) remains a relatively expensive low-yielding market, but has started to offer more value following its recent pullback, hence our initiation of a position in Power Grid.

Our Australian weighting is broadly neutral, having moderated our exposure to the market partially by reducing our banking positions. Although Australia remains an attractive market, from the perspective of strong shareholder focus and being relatively insulated from the impact of the US election, its earnings outlook is lacklustre and its relative valuation high. This is in part because its large banking sector has rerated materially despite the earnings outlook being largely unchanged, leaving it relatively fully valued in our view. And although the other major sector – resources – looks relatively cheap from a valuation perspective, commodity prices have been under pressure as Chinese growth has disappointed, which will continue to weigh on earnings growth.

As described above, from a sector perspective, Information Technology experienced one of the biggest changes in sentiment over the period given the potential impact on slowing demand for

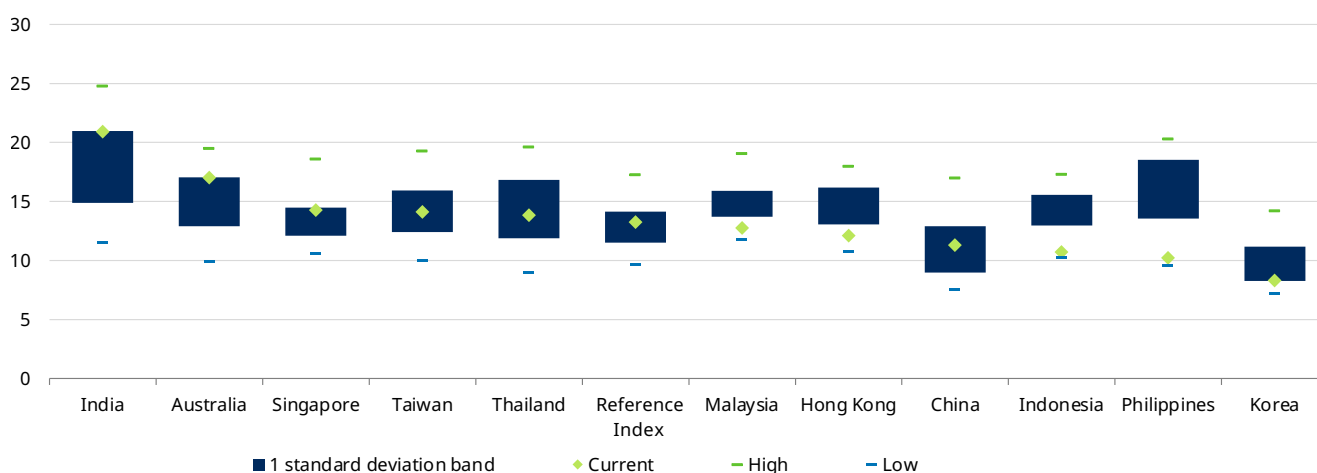
advanced semiconductors if capital expenditure among the big US tech companies peaks. The question for us remains how successfully some of these AI 'models' can be monetised; thus far, beyond the big internet companies such as Meta in the US and Tencent in China, there is still very limited evidence of enterprise or consumer willingness to spend significant sums of money on AI services. There is therefore potentially a discrepancy between the capex from tech companies on AI servers and the datacentres needed to house them, and the revenues being generated from this spending. Whether this is merely a timing mismatch remains to be seen – history does suggest falling prices tend to lead to greater demand, but for now there is clearly potential for some indigestion. Therefore, we have moderated our overweight in IT in recent months, given this uncertainty and the fact valuations had moved higher on cyclical improvements and the surge in demand for AI hardware.

We also remain overweight to financials – a diverse sector spanning not only banks, but also insurers and exchange companies. The banks we own are generally well capitalised with strong deposit franchises. Many of our holdings are in the more mature markets, such as Singapore, which in general trade at attractive valuations and decent dividend yields, but we also have exposure to the faster growing hinterlands. Direct exposure to these developing economies, where credit penetration is relatively low, includes ASEAN markets such as Indonesia. The direction of interest rates from here will be an important driver of relative performance for many financials, given the importance of rates for net interest margins.

We believe aggregate valuations for the region are no longer particularly cheap and as of the end of March are trading at slightly above long-term averages. However, this masks a large variation across individual markets, with Hong Kong, Korea, Indonesia and the Philippines, looking relatively cheap versus history, whilst India, Australia and Singapore look relatively expensive (see chart). China is no longer at the bottom end of its valuation range following its rally in early 2025, though it doesn't look expensive either.



## Price/earnings (P/E) ratio next 12 months of the Reference Index versus markets since 2010



Source: Factset, MSCI, 31 March 2025. Notes: PE data based on forecast data. The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

In the short term at least, we believe it is the actual (as opposed to speculated) policies of the Trump administration, the responses to these, and ultimately the impact they have on US and global growth that will drive markets. Against this backdrop, any further announcements regarding Chinese stimulus are likely to be of particular significance from an Asian perspective together with the path of global interest rates.

Turning to dividends, payout ratios remain reasonable, dividend yields in aggregate are comparable to or higher than most major markets except the UK, and consensus expectations are for some growth in underlying earnings which, if correct, should see some corresponding growth in local dividends. Perhaps the bigger unknown is the outlook for the currencies, in particular sterling. Over the last two years, the pound has been relatively strong versus the dollar and a number of Asian currencies, which has been a headwind for dividends once translated into sterling. More recently, sterling had started to show some weakness against the dollar and other currencies, before reversing some of those falls.

Thank you for your continued trust and investment in the Schroder Oriental Income Fund.

**Richard Sennitt**  
Portfolio Manager

For Schroder Investment Management Limited

21 May 2025

## Investment Portfolio

at 28 February 2025

Investments are classified by the Manager in the region or country of their main business operations or listing. Stocks in bold are the 20 largest investments, which by value account for 61.5% (29 February 2024: 57.9% and 31 August 2024: 59.8%) of total investments and derivative financial instruments.

	£'000	%
<b>Taiwan</b>		
<b>TSMC</b>	<b>78,919</b>	<b>11.1</b>
<b>MediaTek</b>	<b>24,568</b>	<b>3.5</b>
<b>ASE Technology</b>	<b>17,548</b>	<b>2.5</b>
<b>Hon Hai Precision Industries</b>	<b>17,254</b>	<b>2.4</b>
United Microelectronics	9,845	1.4
Uni-President Enterprises	7,715	1.1
Delta Electronics	6,307	0.9
<b>Total Taiwan</b>	<b>162,156</b>	<b>22.9</b>
<b>Australia</b>		
<b>Telstra</b>	<b>19,279</b>	<b>2.7</b>
<b>Rio Tinto<sup>1</sup></b>	<b>14,491</b>	<b>2.1</b>
<b>BHP Billiton<sup>1</sup></b>	<b>12,770</b>	<b>1.8</b>
<b>National Australia Bank</b>	<b>12,629</b>	<b>1.8</b>
<b>Coles Group</b>	<b>12,091</b>	<b>1.7</b>
<b>Suncorp</b>	<b>11,699</b>	<b>1.7</b>
ANZ Group	11,349	1.6
Sonic Healthcare	7,819	1.1
Woodside Energy	7,508	1.1
Woolworths	6,372	0.9
Orica	4,016	0.6
<b>Total Australia</b>	<b>120,023</b>	<b>17.1</b>
<b>Singapore</b>		
<b>Oversea-Chinese Banking</b>	<b>26,590</b>	<b>3.8</b>
<b>Singapore Telecommunications</b>	<b>25,141</b>	<b>3.6</b>
<b>DBS</b>	<b>24,358</b>	<b>3.5</b>
CapitaLand Integrated Commercial Trust (REIT <sup>^</sup> )	10,264	1.5
CapitaLand Ascendas (REIT <sup>^</sup> )	9,875	1.4
United Overseas Bank	9,429	1.3
Singapore Exchange	7,385	1.0
<b>Total Singapore</b>	<b>113,042</b>	<b>16.1</b>



	£'000	%
<b>China</b>		
<b>Midea Group warrants 10/07/2025<sup>2</sup> and A shares</b>	<b>20,893</b>	<b>3.0</b>
<b>NetEase</b>	<b>15,039</b>	<b>2.1</b>
China Petroleum & Chemical H shares <sup>3</sup>	9,142	1.3
Anta Sports Products <sup>3</sup>	8,846	1.3
Ping An Insurance H shares <sup>3</sup>	8,070	1.1
Shenzou International <sup>3</sup>	8,022	1.1
China Pacific Insurance <sup>3</sup>	7,873	1.1
Sany Heavy Industry A Shares	7,654	1.1
Kweichou Moutai	7,429	1.1
China Resources Land <sup>3</sup>	6,016	0.9
<b>Total China</b>	<b>98,984</b>	<b>14.1</b>
<b>Hong Kong (SAR)</b>		
<b>BOC Hong Kong</b>	<b>22,367</b>	<b>3.2</b>
<b>Hong Kong Exchanges &amp; Clearing</b>	<b>16,216</b>	<b>2.3</b>
<b>AIA Group</b>	<b>15,615</b>	<b>2.2</b>
HKT Trust and HKT	8,019	1.1
Link REIT <sup>^</sup>	6,539	0.9
Swire Properties	5,547	0.8
Hang Lung Group	4,132	0.6
Swire Pacific B	3,323	0.5
Hang Lung Properties	2,990	0.4
<b>Total Hong Kong (SAR)</b>	<b>84,748</b>	<b>12.0</b>
<b>Korea</b>		
<b>Samsung Electronics (including preference shares)</b>	<b>32,586</b>	<b>4.6</b>
<b>Samsung Fire and Marine Insurance (including preference shares)</b>	<b>13,734</b>	<b>1.9</b>
SK Telecom	9,002	1.3
KB Financial	7,614	1.1
Kia Corporation	6,929	1.0
<b>Total Korea</b>	<b>69,865</b>	<b>9.9</b>

## Investment Portfolio

at 28 February 2025

	£'000	%
<b>Indonesia</b>		
Bank Mandiri	11,234	1.6
Telekomunikasi Indonesia	5,892	0.8
Bank Negara Indonesia	5,210	0.7
<b>Total Indonesia</b>	<b>22,336</b>	<b>3.1</b>
<b>Thailand</b>		
Kasikornbank NDVR*	8,708	1.2
<b>Total Thailand</b>	<b>8,708</b>	<b>1.2</b>
<b>India</b>		
Power Grid Corporation of India	7,519	1.1
<b>Total India</b>	<b>7,519</b>	<b>1.1</b>
<b>Philippines</b>		
International Container Terminal Services	7,090	1.0
<b>Total Philippines</b>	<b>7,090</b>	<b>1.0</b>
<b>Vietnam</b>		
Vietnam Dairy Products	6,511	0.9
<b>Total Vietnam</b>	<b>6,511</b>	<b>0.9</b>
<b>Japan</b>		
Sumitomo Mitsui Financial Group	4,174	0.6
<b>Total Japan</b>	<b>4,174</b>	<b>0.6</b>
<b>Total Investments<sup>4</sup></b>	<b>705,156</b>	<b>100.0</b>

<sup>1</sup> Listed in the UK

<sup>2</sup> Listed in Luxembourg

<sup>3</sup> Listed in Hong Kong

<sup>4</sup> Total investments comprises:

	£'000	%
Equities and NVDR	662,510	94.0
Preference shares	30,347	4.3
Warrants	12,299	1.7
<b>Total Investments</b>	<b>705,156</b>	<b>100.0</b>

\* "NVDR" means non-voting depositary receipts

^ "REIT" means real estate investment trust

### Investment Policy

The investment policy of the Company is to invest in a diversified portfolio of investments, primarily equities and equity-related investments, of companies which are based in, or derive a significant proportion of their revenues from, the Asia Pacific region. The portfolio is diversified across a number of industries and a number of countries in that region. The portfolio may include government, quasi-government, corporate and high yield bonds and preferred shares.

Equity-related investments which the Company may hold include investments in other collective investment undertakings (including real estate investment trusts and related stapled securities), warrants, depositary receipts, participation certificates, guaranteed performance bonds, convertible bonds, other debt securities, equity-linked notes and similar instruments (whether or not investment grade) which give the Company access to the performance of underlying equity securities, particularly where the Company may be restricted from directly investing in such underlying equity securities or where the Manager considers that there are benefits to the Company in holding such investments instead of directly holding the relevant underlying equity securities. Such investments may be listed or traded outside the Asia Pacific region. Such investments may subject the Company to credit risk against the issuing entity. The Company may also participate, subject to regulatory and tax implications, in debt-to-equity conversion programmes.

The Manager may consider writing calls over some of the Company's holdings, as a low risk way of enhancing the returns from the portfolio, although it has not written any to date. The Company may only invest in derivatives for the purposes of efficient portfolio management. The Board has set a limit such that covered calls cannot be written over portfolio holdings representing in excess of 15% of gross assets. Investors should note that the types of equity-related investments listed above are not exhaustive of all of the types of securities and financial instruments in which the Company may invest, and the Company will retain the flexibility to make any investments unless these are prohibited by the investment restrictions applicable to the Company.

Although the Company has the flexibility to invest in bonds and preferred shares as described above, the intention of the directors is that the assets of the Company which are invested (that is to say, which are not held in cash, money funds, debt securities, interest bearing gilts or treasuries) will predominantly comprise Asia Pacific equities and equity-related investments.

### Principal risks and uncertainties

The principal risks and uncertainties of the Company's business fall into the following categories: geopolitical, market, currency/exchange rate, investment performance, climate change, service provider performance, and cyber.

A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 24 to 26 of the Company's published annual report and accounts for the year ended 31 August 2024.

These principal risks and uncertainties have not materially changed during the six months ended 28 February 2025.

### 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 27 of the Company's published annual report and accounts for the year ended 31 August 2024, the directors consider it appropriate to adopt the going concern basis in preparing the interim report.

### 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 28 February 2025.

### 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 the Companies (Guernsey) Law, 2008, International Financial Reporting Standards and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in July 2022 and that this Half-yearly 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.

### Nick Winsor

Chairman

For and on behalf of the Board

21 May 2025





# Financial



**Financial**

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## Statement of Comprehensive Income

for the six months ended 28 February 2025 (unaudited)

	Note	(Unaudited) For the six months ended 28 February 2025			(Unaudited) For the six months ended 29 February 2024			(Audited) For the year ended 31 August 2024		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss		–	11,738	11,738	–	41,051	41,051	–	89,708	89,708
Net foreign currency (losses)/gains		–	(1,741)	(1,741)	–	(118)	(118)	–	1,266	1,266
Income from investments		9,420	486	9,906	9,541	504	10,045	33,824	510	34,334
Other income		53	–	53	84	–	84	161	–	161
<b>Total income</b>		<b>9,473</b>	<b>10,483</b>	<b>19,956</b>	<b>9,625</b>	<b>41,437</b>	<b>51,062</b>	<b>33,985</b>	<b>91,484</b>	<b>125,469</b>
Management fee		(954)	(1,430)	(2,384)	(925)	(1,387)	(2,312)	(1,905)	(2,858)	(4,763)
Performance fee		–	–	–	–	–	–	–	(4,552)	(4,552)
Other administrative expenses		(666)	(4)	(670)	(584)	(1)	(585)	(1,170)	(3)	(1,173)
<b>Profit before finance costs and taxation</b>		<b>7,853</b>	<b>9,049</b>	<b>16,902</b>	<b>8,116</b>	<b>40,049</b>	<b>48,165</b>	<b>30,910</b>	<b>84,071</b>	<b>114,981</b>
Finance costs		(451)	(678)	(1,129)	(547)	(820)	(1,367)	(1,075)	(1,611)	(2,686)
<b>Profit before taxation</b>		<b>7,402</b>	<b>8,371</b>	<b>15,773</b>	<b>7,569</b>	<b>39,229</b>	<b>46,798</b>	<b>29,835</b>	<b>82,460</b>	<b>112,295</b>
Taxation	4	(450)	–	(450)	(445)	–	(445)	(1,899)	–	(1,899)
<b>Net profit and total comprehensive income</b>		<b>6,952</b>	<b>8,371</b>	<b>15,323</b>	<b>7,124</b>	<b>39,229</b>	<b>46,353</b>	<b>27,936</b>	<b>82,460</b>	<b>110,396</b>
<b>Earnings per share (pence)</b>	<b>5</b>	<b>2.95</b>	<b>3.55</b>	<b>6.50</b>	<b>2.84</b>	<b>15.66</b>	<b>18.50</b>	<b>11.29</b>	<b>33.34</b>	<b>44.63</b>

The “Total” columns of this statement represents the Company’s Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union. The “Revenue” and “Capital” columns represent supplementary information prepared under guidance set out in the Statement of Recommended Practice for investment trust companies (the “SORP”) issued by the Association of Investment Companies in July 2022.

The Company does not have any income or expense that is not included in the “net profit/ (loss)” for the period. Accordingly the “Net profit/ (loss)” for the period is also the “Total comprehensive income/expense” 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 28 February 2025 (unaudited)

	Note	Share Capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2024		234,347	(75,125)	39	150,374	355,161	35,519	700,315
Repurchase of ordinary shares into treasury		–	(26,403)	–	–	–	–	(26,403)
Net profit and total comprehensive income		–	–	–	–	8,371	6,952	15,323
Dividends paid in the period	6	–	–	–	–	–	(18,814)	(18,814)
<b>At 28 February 2025</b>		<b>234,347</b>	<b>(101,528)</b>	<b>39</b>	<b>150,374</b>	<b>363,532</b>	<b>23,657</b>	<b>670,421</b>

For the six months ended 29 February 2024 (unaudited)

	Note	Share Capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2023		234,347	(46,118)	39	150,374	272,701	36,865	648,208
Repurchase of shares into treasury		–	(13,857)	–	–	–	–	(13,857)
Net profit and total comprehensive income		–	–	–	–	39,229	7,124	46,353
Dividends paid in the period	6	–	–	–	–	–	(19,525)	(19,525)
<b>At 29 February 2024</b>		<b>234,347</b>	<b>(59,975)</b>	<b>39</b>	<b>150,374</b>	<b>311,930</b>	<b>24,464</b>	<b>661,179</b>

For the year ended 31 August 2024 (audited)

	Note	Share Capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2023		234,347	(46,118)	39	150,374	272,701	36,865	648,208
Repurchase of ordinary shares into treasury		–	(29,007)	–	–	–	–	(29,007)
Net profit and total comprehensive income		–	–	–	–	82,460	27,936	110,396
Dividends paid in the year	6	–	–	–	–	–	(29,282)	(29,282)
<b>At 31 August 2024</b>		<b>234,347</b>	<b>(75,125)</b>	<b>39</b>	<b>150,374</b>	<b>355,161</b>	<b>35,519</b>	<b>700,315</b>

## Balance Sheet

as at 28 February 2025 (unaudited)

	Note	(Unaudited) At 28 February 2025 £'000	(Unaudited) At 29 February 2024 £'000	(Audited) At 31 August 2024 £'000
<b>Non-current assets</b>				
Investments at fair value through profit or loss		705,156	698,166	735,607
<b>Current assets</b>				
Receivables		4,962	3,130	6,017
Cash and cash equivalents		2,918	3,044	6,942
		<b>7,880</b>	<b>6,174</b>	<b>12,959</b>
<b>Total assets</b>		<b>713,036</b>	<b>704,340</b>	<b>748,566</b>
<b>Current liabilities</b>				
Payables		(42,615)	(43,161)	(48,251)
<b>Net assets</b>		<b>670,421</b>	<b>661,179</b>	<b>700,315</b>
<b>Equity attributable to shareholders</b>				
Share capital	7	234,347	234,347	234,347
Treasury share reserve		(101,528)	(59,975)	(75,125)
Capital redemption reserve		39	39	39
Special reserve		150,374	150,374	150,374
Capital reserves		363,532	311,930	355,161
Revenue reserve		23,657	24,464	35,519
<b>Total equity shareholders' funds</b>		<b>670,421</b>	<b>661,179</b>	<b>700,315</b>
<b>Net asset value per share (pence)</b>	8	<b>288.77</b>	<b>267.12</b>	<b>289.63</b>

Registered in Guernsey  
Company registration number: 43298

## Cash Flow Statement

for the six months ended 28 February 2025 (unaudited)

	(Unaudited) For the six months ended 28 February 2025 £'000	(Unaudited) For the six months ended 29 February 2024 £'000	(Audited) For the year ended 31 August 2024 £'000
<b>Operating activities</b>			
Profit before finance costs and taxation	16,902	48,165	114,981
Add back net foreign currency losses/(gains)	1,741	118	(1,266)
Gains on investments at fair value through profit or loss	(11,738)	(41,051)	(89,708)
Net sales of investments at fair value through profit or loss	40,143	17,038	29,282
Decrease in receivables	810	1,903	1,144
(Decrease)/increase in payables	(4,649)	1,149	4,559
Overseas taxation paid	(399)	(427)	(1,972)
<b>Net cash inflow from operating activities before interest</b>	<b>42,810</b>	<b>26,895</b>	<b>57,020</b>
Interest paid	(1,135)	(1,365)	(2,679)
<b>Net cash inflow from operating activities</b>	<b>41,675</b>	<b>25,530</b>	<b>54,341</b>
<b>Financing activities</b>			
Repurchase of ordinary shares into treasury	(26,809)	(13,911)	(28,969)
Dividends paid	(18,814)	(19,525)	(29,282)
<b>Net cash outflow from financing activities</b>	<b>(45,623)</b>	<b>(33,436)</b>	<b>(58,251)</b>
<b>Decrease in cash and cash equivalents</b>	<b>(3,948)</b>	<b>(7,906)</b>	<b>(3,910)</b>
Cash and cash equivalents at the start of the period	6,942	11,000	11,000
Effect of foreign exchange rate changes on cash and cash equivalents	(76)	(50)	(148)
<b>Cash and cash equivalents at the end of the period</b>	<b>2,918</b>	<b>3,044</b>	<b>6,942</b>

Dividends received during the period amounted to £10,719,000 (period ended 29 February 2024: £11,800,000 and year ended 31 August 2024: £35,326,000) and bond and deposit interest receipts amounted to £59,000 (period ended 29 February 2024: £100,000 and year ended 31 August 2024: £171,000).



## Notes to the Financial Statements

### 1. Principal activity

The Company carries on business as a Guernsey closed-ended investment company.

### 2. Financial statements

The financial information for the six months ended 28 February 2025 and 29 February 2024 has not been audited or reviewed by the Company's auditor. These financial statements do not include all of the information required to be included in annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 August 2024.

### 3. Accounting policies

#### (a) Basis of accounting

The financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the accounting policies set out in the statutory accounts of the Company for the year ended 31 August 2024. Where presentational guidance set out in the Statement of Recommended Practice (the "SORP") for investment trusts issued by the Association of Investment Companies in July 2022, is consistent with the requirements of International Financial Reporting Standards, the financial statements have been prepared on a basis compliant with the recommendations of the SORP.

#### (b) Accounting estimates

In common with many other investment companies, the Board has chosen to adopt the 'allocation approach', as set out in the SORP, and has determined that basis of allocation of expenses to capital should reflect the long term split of returns in the form of capital gains and income. The Company allocates 60% of the management fee and finance costs to capital and the remaining 40% to revenue. The Board monitors the assumptions that underpin the basis of allocation.

### 4. Taxation

Taxation comprises irrecoverable overseas withholding tax deducted from dividends receivable. The Company became resident in the United Kingdom for taxation purposes on 1 September 2020 and has been granted approval as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010, from that date.

### 5. Earnings per share

	(Unaudited) Six months ended 28 February 2025 £'000	(Unaudited) Six months ended 29 February 2024 £'000	(Audited) Year ended 31 August 2024 £'000
Revenue profit	6,952	7,124	27,936
Capital profit	8,371	39,229	82,460
<b>Total profit</b>	<b>15,323</b>	<b>46,353</b>	<b>110,396</b>
Weighted average number of shares in issue during the period	235,851,510	250,573,464	247,361,808
Revenue earnings per share (pence)	2.95	2.84	11.29
Capital earnings per share (pence)	3.55	15.66	33.34
<b>Total earnings per share (pence)</b>	<b>6.50</b>	<b>18.50</b>	<b>44.63</b>

## 6. Dividends paid

	(Unaudited) Six months ended 28 February 2025 £'000	(Unaudited) Six months ended 29 February 2024 £'000	(Audited) Year ended 31 August 2024 £'000
2024 fourth interim dividend of 6.00p (2023: 5.80p)	14,160	14,547	14,547
First interim dividend of 2.00p (2024: 2.00p)	4,654	4,978	4,982
Second interim dividend of 2.00p	–	–	4,899
Third interim dividend of 2.00p	–	–	4,854
<b>Total dividends paid in the period</b>	<b>18,814</b>	<b>19,525</b>	<b>29,282</b>

A second interim dividend of 2.00p (2024: 2.00p) per share, amounting to £4,643,000 (2024: £4,899,000) has been declared payable in respect of the year ending 31 August 2025.

## 7. Share capital

Changes in the number of shares in issue during the period were as follows:

	(Unaudited) Six months ended 28 February 2025	(Unaudited) Six months ended 29 February 2024	(Audited) Year ended 31 August 2024
Ordinary shares of 1p each, allotted, called-up and fully paid			
Opening balance of shares in issue, excluding shares held in treasury	241,798,024	253,193,024	253,193,024
Repurchase of shares into treasury	(9,632,000)	(5,670,000)	(11,395,000)
<b>Closing balance of shares in issue, excluding shares held in treasury</b>	<b>232,166,024</b>	<b>247,523,024</b>	<b>241,798,024</b>
Shares held in treasury	39,067,000	23,710,000	29,435,000
<b>Closing balance of shares in issue</b>	<b>271,233,024</b>	<b>271,233,024</b>	<b>271,233,024</b>

## 8. Net asset value per share

	(Unaudited) 28 February 2025	(Unaudited) 29 February 2024	(Audited) 31 August 2024
Net assets attributable to shareholders (£'000)	670,421	661,179	700,315
Shares in issue at the period end, excluding shares held in treasury	232,166,024	247,523,024	241,798,024
Net asset value per share (pence)	288.77	267.12	289.63

## 9. Financial instruments measured at fair value

The Company's portfolio of investments, comprising investments in companies and any derivatives, are carried in the balance sheet at fair value. Other financial instruments held by the Company comprise amounts due to or from brokers, dividends and interest receivable, accruals, cash and drawings on the credit facility. For these instruments, the balance sheet amount is a reasonable approximation of fair value. The recognition and measurement policies for financial instruments measured at fair value have not changed from those set out in the statutory accounts of the Company for the year ended 31 August 2024.

The investments in the Company's portfolio are categorised into a hierarchy comprising the following three levels:

Level 1 – valued using quoted prices in active markets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

At 28 February 2025, the Company's investment portfolio and derivative financial instruments were categorised as follows:

	(Unaudited) 28 February 2025 £'000	(Unaudited) 29 February 2024 £'000	(Unaudited) 31 August 2024 £'000
Level 1	692,857	680,098	719,252
Level 2	12,299	18,068	16,355
Level 3	–	–	–
<b>Total</b>	<b>705,156</b>	<b>698,166</b>	<b>735,607</b>

Level 2 investments comprise one holding in Midea Group warrants.

There have been no transfers between Levels 1, 2 or 3 during the period (period ended 29 February 2024 and year ended 31 August 2024: nil).

## 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.



# Other Information

**Other Information**

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## Alternative Performance Measures (“APMs”) and definitions of financial terms

The terms and performance measures below are those commonly used by investment companies to assess values, investment performance and operating costs. Numerical calculations are given where relevant. Some of the financial measures below are classified APMs as defined by the European Securities and Markets Authority. Under this definition, APMs include a financial measure of historical financial performance or financial position, other than a financial measure defined or specified in the applicable financial reporting framework. APMs have been marked with an asterisk.

### Net asset value (“NAV”) per share

The NAV per share of 288.77p (31 August 2024: 289.63p) represents the net assets attributable to equity shareholders of £670,421,000 (31 August 2024: £700,315,000) divided by the number of shares in issue of 232,166,024 (31 August 2024: 241,798,024).

The change in the NAV amounted to -0.3% (year ended 31 August 2024: +13.1%) over the period. However, this performance measure excludes the positive impact of dividends paid out by the Company during the period. 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 period ended 28 February 2025 is calculated as follows:

Opening NAV at 31/08/24				289.63p
Closing NAV at 28/02/25				288.77p
Dividend received	XD date	NAV on XD date	Factor	Cumulative factor
6.00p	14/11/24	285.64p	1.0210	1.0210
2.00p	30/01/25	294.56p	1.0068	1.0279
NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage increase in the opening NAV:				+2.5%

The NAV total return for the year ended 31 August 2024 is calculated as follows:

Opening NAV at 31/08/23				256.01p
Closing NAV at 31/08/24				289.63p
Dividend received	XD date	NAV on XD date	Factor	Cumulative factor
5.80p	16/11/23	257.58p	1.0225	1.0225
2.00p	01/02/24	256.89p	1.0078	1.0305
2.00p	25/04/24	274.13p	1.0073	1.0380
2.00p	18/07/24	292.21p	1.0068	1.0451
NAV total return, being the closing NAV, multiplied by the factor, expressed as a percentage increase in the opening NAV:				+18.2%

The share price total return for the period ended 28 February 2025 is calculated as follows:

Opening Share price at 31/08/24				269.00p
Closing Share price at 28/02/25				274.00p
Dividend received	XD date	Share price on XD date	Factor	Cumulative factor
6.00p	14/11/24	267.00p	1.0225	1.0225
2.00p	30/01/25	277.00p	1.0072	1.0299
Share price total return, being the closing share price, multiplied by the cumulative factor, expressed as a percentage increase in the opening share price:				+4.9%

The share price total return for the year ended 31 August 2024 is calculated as follows:

Opening Share price at 31/08/23				244.50p
Closing Share price at 31/08/24				269.00p
Dividend received	XD date	Share price on XD date	Factor	Cumulative factor
5.80p	16/11/23	243.00p	1.0239	1.0239
2.00p	01/02/24	241.00p	1.0083	1.0324
2.00p	25/04/24	256.00p	1.0078	1.0404
2.00p	18/07/24	278.50p	1.0072	1.0479
Share price total return, being the closing share price, multiplied by the cumulative factor, expressed as a percentage increase in the opening share price:				+15.3%

## 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 period end amounted to 5.1% (31 August 2024: 7.1%), as the closing share price at 274.00p (31 August 2024: 269.00p) was lower than the closing NAV of 288.77p (31 August 2024: 289.63p).

## 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. Gearing is defined as: borrowings used for investment purposes, less cash, expressed as a percentage of net assets. The gearing figure at the relevant period/year end is calculated as follows:

	28 February 2025 £'000	31 August 2024 £'000
Borrowings used for investment purposes, less cash	36,791	31,103
Net assets	670,421	700,315
Gearing	5.5%	4.4%

## 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.

## Ongoing charges\*

Ongoing charges is calculated in accordance with the AIC's recommended methodology and represents the management fee and all other operating expenses excluding finance costs and transaction costs, amounting to £6,054,000 (31 August 2024: £5,937,000), expressed as a percentage of the average daily net asset value during the period of £691,392,000 (31 August 2024: £671,034,000).

## Shareholder Information

### Warning to shareholders

Companies are aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares or investments.

These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved by visiting [register.fca.org.uk](https://register.fca.org.uk)
- Report the matter to the FCA by calling 0800 111 6768 or visiting [fca.org.uk/consumers/report-scam-unauthorised-firm](https://fca.org.uk/consumers/report-scam-unauthorised-firm)
- Do not deal with any firm that you are unsure about

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FCA provides a list of unauthorised firms of which it is aware, which can be accessed at [fca.org.uk/consumers/unauthorised-firms-individuals#list](https://fca.org.uk/consumers/unauthorised-firms-individuals#list).

More detailed information on this or similar activity can be found on the FCA website at [fca.org.uk/consumers/protect-yourself-scams](https://fca.org.uk/consumers/protect-yourself-scams).

### Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque. Applications for an electronic mandate can be made by contacting the Registrar. If your dividend is paid directly into your bank or building society account, you will receive an annual consolidated dividend confirmation, which will be sent to you in September each year at the time the interim dividend is paid. Dividend confirmations are available electronically at [investorcentre.co.uk](https://investorcentre.co.uk) to those Shareholders who have their payments mandated to their bank or building society accounts and who have expressed a preference for electronic communications.

[www.schroders.co.uk/orientalincome](http://www.schroders.co.uk/orientalincome)

### Directors

Nick Winsor (Chairman)  
Alexa Coates  
Sam Davis  
Isabel Liu

### Registered office

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Arnold House  
St Julian's Avenue  
St Peter Port  
Guernsey GY1 3NF

### Advisers and service providers

#### Alternative Investment Fund Manager (the "Manager")

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1 London Wall Place  
London EC2Y 5AU

#### Investment Manager and Company Secretary

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Email: [AMCompanySecretary@schroders.com](mailto:AMCompanySecretary@schroders.com)

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#### Safekeeping and cash flow monitoring agent

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London E14 5HQ

#### Independent auditors

PricewaterhouseCoopers LLP  
7 More London Place  
London SE1 2RT

#### Registrar

Computershare Investor Services (Guernsey) Limited  
1st Floor  
Tudor House  
Le Bording  
St Peter Port  
Guernsey GY1 1DB

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 Computershare Investor Services (Guernsey) Limited at the address set out above.

### Corporate broker

Deutsche Numis  
45 Gresham Street  
London EC2V 7BF

### Designated administrator

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Arnold House  
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St Peter Port  
Guernsey GY1 3NF

### Other Information

#### Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary.

#### Company Number

43298  
(Registered in Guernsey as a company limited by shares)

#### Dealing codes

ISIN: GB00B0CRWN59  
SEDOL: B0CRWN5  
Ticker: SOI

#### Global Intermediary Identification Number (GIIN)

N3WFUT.99999.SL.826

#### Legal Entity Identifier (LEI)

5493001U9X6P8SS0PK40

#### Privacy notice

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



## Risks Disclosures

<b>Concentration risk</b>	The Company may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Company, both up or down.
<b>Counterparty risk</b>	The Company may have contractual agreements with counterparties. If a counterparty is unable to fulfil their obligations, the sum that they owe to the Company may be lost in part or in whole.
<b>Currency risk</b>	If the Company's investments are denominated in currencies different to the currency of the Company's shares, the Company may lose value as a result of movements in foreign exchange rates, otherwise known as currency rates.
<b>Derivatives risk</b>	Derivatives, which are financial instruments deriving their value from an underlying asset, may be used to manage the portfolio efficiently. A derivative may not perform as expected, may create losses greater than the cost of the derivative and may result in losses to the Company.
<b>Emerging markets &amp; frontier risk</b>	Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty, operational and liquidity risk than developed markets.
<b>Gearing risk</b>	The Company may borrow money to make further investments. This is known as gearing. Gearing will increase returns if the value of the investments purchased increases by more than the cost of borrowing or reduce returns if they fail to do so. In falling markets, the whole of the value in such investments could be lost, which would result in losses to the Company.
<b>Liquidity risk</b>	The price of shares in the Company is determined by market supply and demand, and this may be different to the net asset value of the Company. In difficult market conditions, investors may not be able to find a buyer for their shares or may not get back the amount that they originally invested. Certain investments of the Company, in particular the unquoted investments, may be less liquid and more difficult to value. In difficult market conditions, the Company may not be able to sell an investment for full value or at all and this could affect performance of the Company.
<b>Market risk</b>	The value of investments can go up and down and an investor may not get back the amount initially invested.
<b>Operational risk</b>	Operational processes, including those related to the safekeeping of assets, may fail. This may result in losses to the Company.
<b>Performance risk</b>	Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro-economic environment, investment objectives may become more difficult to achieve.
<b>Private market valuations, and pricing frequency</b>	Valuation of private asset investments is performed less frequently than listed securities and may be performed less frequently than the valuation of the Company itself. In addition, in times of stress it may be difficult to find appropriate prices for these investments and they may be valued on the basis of proxies or estimates. These factors mean that there may be significant changes in the net asset value of the Company which may also affect the price of shares in the Company.
<b>Share price risk</b>	The price of shares in the Company is determined by market supply and demand, and this may be different to the net asset value of the Company. This means the price may be volatile, meaning the price may go up and down to a greater extent in response to changes in demand.
<b>Smaller companies risk</b>	Smaller companies generally carry greater liquidity risk than larger companies, meaning they are harder to buy and sell, and they may also fluctuate in value to a greater extent.

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