

**LONDON STOCK EXCHANGE ANNOUNCEMENT**

**SCHRODER ASIAPACIFIC FUND PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2025**

**Information disclosed in accordance with DTR 4.1**

The Company's Annual Financial Report for the year ended 30 September 2025 is being published in hard copy format and an electronic copy will shortly be available to download from the Company's web pages: [www.schroders.co.uk/asiapacific](http://www.schroders.co.uk/asiapacific).

**Key highlights**

- For the year ended 30 September 2025, the Company's NAV delivered a total return of 15.7%, with strong performance in absolute terms.
- The Company has a strong long-term record, with an annualised NAV total return of 11.5% over ten years, compared to the benchmark's 9.8%.
- The Board will introduce a conditional tender offer, allowing shareholders to tender up to 25% of the Company's NAV at a price equal to NAV (less costs), if the Company's total return does not outperform the benchmark over the next five financial years.
- The Articles of Association require the Board to propose a continuation vote at the 2026 AGM. The Board considers the Manager well qualified to manage the portfolio and intends to support continuation as an investment trust.

**Investor presentation**

Our Portfolio Manager, Abbas Barkhordar will be presenting at an investor webinar on 15 January 2026 at 9.00 am (which can be signed up to via the following link: <https://www.schroders.events/SDPFY25>).

**James Williams, Chairman of Schroder AsiaPacific Fund plc, commented:**

"It is worth noting from a macro perspective that, unlike western nations, most Asian nations have healthy sovereign balance sheets and sustainable and responsible fiscal policies. This is a strong and encouraging background position."

The Company has submitted a copy of its Annual Financial Report to the National Storage Mechanism and it will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

**Enquiries:**

Schroder Investment Management Limited

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**Chairman's Statement**

**Performance**

For the year ended 30 September 2025, the Company's NAV generated a total return of 15.7%. This was a strong performance in absolute terms. It was, however, slightly behind the benchmark, which produced a total return of 16.8% over

the same period. The share price produced a total return of 19.8% over the year.

The Company has a long-term record of outperforming the benchmark. The Company's annualised NAV total return is 11.5% over ten years, compared with the annualised return of the benchmark over the same period of 9.8%.

Asian markets experienced a volatile period of performance over the year. This reflected ongoing geopolitical tensions, tariff uncertainty and differences in monetary policy across the region. The strongest returns for the year came from Singapore, China, Taiwan and Korea.

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

### **Benefits of the investment trust structure**

The Company invests in a carefully chosen group of Asian companies, making the most of the distinct benefits offered by the investment trust structure. This approach ensures a stable pool of capital, enabling long-term investment decisions without the pressure of unexpected investor redemptions that can affect open-ended funds. The use of gearing can further enhance returns over time, adding another layer of flexibility. An additional strength of this structure is the ability to build up revenue reserves during stronger periods, providing the capacity to sustain dividends even in more challenging environments. As a result, investment trusts such as this Company are well positioned to offer consistent and growing income across various market cycles. With a strong track record of benchmark outperformance, the Company is competitively positioned versus open-ended, passive as well as other investment trust peers.

### **Revenue and dividend**

The Company's principal investment objective is to achieve capital growth, and the Directors continue to distribute substantially all the revenue received each year. This year the Company's revenue return increased to 13.21 pence per share (2024: 12.79p).

The Directors are recommending a final dividend of 13.00 pence per share for the year ended 30 September 2025. This represents an increase of 4% over the amount paid in respect of the previous financial year. This dividend will be paid on 6 February 2026 to shareholders on the register on 30 December 2025, subject to approval by shareholders at the Annual General Meeting (AGM) on 29 January 2026.

### **Gearing**

During the year, the Company renewed its secured £75 million one-year multicurrency revolving credit facility with The Bank of Nova Scotia, London Branch. At 30 September 2025, the Company's net gearing position was 3.0% taking into account cash balances, compared to 2.6% at 30 September 2025.

Source: Morningstar as at 30 September 2025. Rebased to 100 at 30 September 2015. The Company's benchmark is the MSCI All Countries Asia excluding Japan Index (with net income reinvested), sterling adjusted. The Company changed its benchmark with effect from 1 October 2016. Prior to that date the benchmark was the MSCI All Countries Asia excluding Japan Index (with gross income reinvested), sterling adjusted.

### **Discount management**

The Company continued to be active in buying back its shares during the year. A total of 12,605,983 shares were bought back for cancellation at a cost of £70.5 million (2024: 8,209,500 shares were bought back and cancelled at a cost of £41.5 million), providing a modest accretion to the NAV. Since the year end, a further 2,735,714 shares have been bought back for cancellation at a cost of £18.1 million. The average discount during the year under review remained stable at 10.8%, whilst market conditions remained volatile.

Over the last five years, the Company has bought back nearly 27% of its issued share capital in support of its buy back policy. The Board remains focused on managing discount volatility and helping to provide liquidity in the Company's shares. The Board continues to follow a flexible strategy towards discount management and considers that under 10% is a sensible discount target over the longer term in normal market conditions.

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

### **Introduction of a performance tender offer**

The Board believes that the wider investment trust market is moving towards the periodic offer of a return of an element of capital close to the net asset value. This is to address situations where a Company does not perform in line with expectations. The Board is accordingly introducing a conditional tender mechanism whereby the Company will offer shareholders the opportunity to tender up to 25% of the Company's net asset value at a price equal to net asset value (less costs), should the Company's total return over the next five financial years fail to outperform the benchmark index. This tender offer will coincide with the Company's five yearly continuation vote.

### **Board succession**

When I was appointed Chairman in 2021, it was agreed that I would serve a maximum term of five years in this role. Accordingly, I intend to retire following the AGM in 2026. The process to identify my successor has been led by the Chair of the Nomination Committee and the Senior Independent Director. I am pleased to announce that Nicky Richards will become Chair following the AGM.

### **Continuation vote**

The Articles of Association contain provisions which require the Board to put to shareholders a resolution at the AGM in 2026 that the Company continue as an investment trust for a further five years.

Over the five-year period ended 30 September 2025, the Company's NAV produced a total return of 6.6% per annum, outperforming the Benchmark's total return of 5.6% per annum, while our share price produced a total return of 6.9% per annum.

The Board believes that the Manager remains well qualified and suitable to manage the portfolio in accordance with the Company's investment objective. The Board also believes that the Company remains well placed as an investment vehicle within its peer group, and that its long-term investment objectives remain appropriate and the structure beneficial to shareholders. The Board therefore unanimously recommends that the Company continue as an investment trust, and the Directors intend to vote their shares accordingly.

### **Results webinar**

Please join Portfolio Manager, Abbas Barkhordar, for a webinar in which he will report on the year ended 30 September 2025 and outline his thoughts on the future direction of your Company's portfolio. The presentation will be followed by a live Q&A session. The webinar will take place on Thursday, 15 January 2026 at 09.00am. Register for the event at

<https://www.schroders.events/SDPFY25> or via the QR code below:

### **AGM**

The AGM will be held on Thursday, 29 January 2026 at 12.00 noon at the offices of Schroders at 1 London Wall Place, London EC2Y 5AU. A presentation from the Portfolio Manager will be given at the AGM, and attendees will also be able to ask questions in person and meet the Directors. Details of the formal business of the meeting are set out in the Notice of Meeting in the Annual Report and Financial Statements.

All shareholders are recommended to vote by proxy in advance of the AGM and to appoint the Chairman of the meeting as their proxy. This will ensure that shareholders' votes will be counted even if they (or any appointed proxy) are not able to attend.

If shareholders have any questions for the Board, please write, or email using the details below. The questions and answers will be published on the Company's web pages before the AGM. To email, please use: [amcompanysecretary@schröders.com](mailto:amcompanysecretary@schröders.com) or write to us at the Company's registered office address: Company Secretary, Schroder AsiaPacific Fund plc, 1 London Wall Place, London, EC2Y 5AU.

### **Shareholder communication and engagement**

The Board understands the importance for our shareholders to have regular access to information. In addition to our Company web pages, we provide shareholders with the opportunity to subscribe to Company email updates. These emails feature updates about the Company, along with news, opinion pieces, and market insights. Details on how to subscribe can be found on the inside front cover of this report.

The Board encourages all shareholders to either to attend the AGM or exercise their voting rights by proxy. The Board acknowledges that certain execution-only investment platforms are now enabling shareholders to vote electronically. We encourage shareholders to utilise this feature when it is available.

The Board is committed to exercising high standards of corporate governance and accordingly, regularly considers the views of its shareholders, offering to meet with major shareholders annually. We also seek to engage with all shareholders where possible and should you wish to contact me, you can do so via the Company Secretary whose details are set out in the full Annual Report and Financial Statements.

### **Outlook**

Asian equity markets have shown resilience despite heightened US trade tensions and increased tariffs. Elevated tariffs, particularly affecting major exporters like China and India, and sectors such as semiconductors and pharmaceuticals, could continue to suppress long-term investment and global growth, although growing trade within Asian and emerging markets could partially offset US protectionism. In addition, while China's economic weakness persists, sectors showing strong growth have clearly emerged and Chinese companies continue to lead global innovation in AI, EVs and Robotics.

More broadly, strong Asian market performance in 2025 has been driven by multiple re-rating rather than fundamental earnings growth, pushing valuations above historical averages. However, the region still appears attractively valued compared to developed markets, and longer-term prospects are supported, depending on the individual market, by

favourable demographics, rising incomes, and deepening financial markets. Asia remains crucial to the global economy, providing both the infrastructure for technological revolutions and the capacity to drive sustainable growth. All these factors should create enduring opportunities for patient, long-term investors.

It is also worth noting from a macro perspective that, unlike western nations, most Asian nations have healthy sovereign balance sheets and sustainable and responsible fiscal policies. This is a strong and encouraging background position.

We believe our Managers, with their deep resource on the ground in Asia, are well-positioned to continue to deliver sustainable growth by remaining focussed on high-quality businesses with strong balance-sheets, structural growth drivers and attractive valuations.

This will be my last Chairman's statement and I am delighted to steer this wonderful Company though its 30 years anniversary and, most recently, past its all-time high share price. I would like to thank shareholders for their support. We continue to believe that the Company is well-placed to participate in the exciting prospects for returns produced by Asia and its dynamic companies over the long term.

**James Williams**

Chairman

3 December 2025

## Portfolio Managers' Report

### Market review

The twelve months to the end of September 2025 was a volatile, but ultimately positive, period for Asian stock markets. Two factors in particular dominated investor sentiment over the year. First, the policy implications resulting from the election of Donald Trump to a second term as US president. Second, the rapid global growth of investment in Artificial Intelligence (AI) data centres.

The immediate reaction of investors to the election of President Trump was negative for Asian markets, particularly relative to US markets. The mixture of trade and fiscal policies expected from the incoming administration appeared to present significant challenges for most Asian economies. Higher tariffs on exports to the US were expected to negatively affect Asian manufacturers' margins (if they absorbed the tariffs), or growth (if they passed on higher cost to their customers). Compounding this headwind, the administration's policy direction on fiscal deficits (looser), labour immigration (tighter) and imports (more restrictive), all suggested inflationary pressures would build in the US, calling into question the prevailing expectations of falling US interest rates.

The uncertainty over the impact of US policy on the region dominated the first half of the period. As a result, Asian markets drifted sideways until the shock of "Liberation Day" in early April, when President Trump announced unexpectedly large and wide-ranging tariffs on countries around the world, making little distinction between different countries. The sharp market sell-off that followed marked the nadir of policy uncertainty. Perhaps due to the market reaction, the subsequent weeks and months have seen significant backtracking from those initial extreme tariff rates, with a steady stream of deals being agreed. While these deals have left tariffs much higher than they were at the start of the year, Asian markets have reacted positively to the lower level of uncertainty, rallying over 30% from the trough levels of early April.

Much more unambiguously positive for Asian markets has been the extraordinary boom in capital investment into AI datacentres, which has accelerated this year. The large US tech companies which are leading this investment include the traditional hyperscale cloud providers and internet platforms (Microsoft, Amazon, Google and Meta), as well as well-funded new entrants such as Oracle and xAI. These companies have repeatedly raised their capex guidance, giving a boost to the many Asian companies which play a critical role in the global AI hardware supply chain, such as **TSMC** and **SK Hynix**.

Finally, expectations around the timing and size of any US Fed rate cuts - a frequent and loudly expressed demand of President Trump's - have also shifted more clearly in a supportive direction over the period. Both near-term interest rates and the US Dollar weakened as signs of a softening US economy and labour market grew, while inflation remained relatively benign. Historically, lower interest rates and a weaker US Dollar have generally been a positive backdrop for Asian equity market performance, and this year did not prove an exception.

As a result of the above factors, Asian markets performed very strongly for the year ended 30 September 2025, with the MSCI AC Asia ex-Japan index up almost 17% in sterling terms, in-line with the MSCI World index of developed stock markets, which were up by the same amount. The strongest markets over the period were Singapore, China, Taiwan and Korea.

Singapore has continued to benefit from strong GDP growth as well as its increasing importance as a regional hub - particularly in financial services. Investor sentiment was also helped by regulatory initiatives to enhance the equity market, coupled with strong individual performance from some of the market's leading companies (**Singtel, Sea, Grab, Singapore Exchange**) and the big three banks.

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China has benefited from two drivers. One, heightened expectations that the government would enact more aggressive domestic stimulus in the face of higher US tariffs. Two, an AI boom which echoes that of the US, but also differs in several significant ways. The release early in the year of DeepSeek, a seemingly unprecedentedly efficiently-trained Large Language Model from a Chinese startup drove a strong rally in Chinese companies thought to be beneficiaries of the emergence of a domestic AI industry. Throughout the year, many domestic internet companies, such as **Alibaba**, announced they would be massively increasing investment into their data centre businesses. This is an industry which is much more competitive in China than even in the US. It is, therefore, one which currently makes much lower returns, and where the path to "monetisation" is harder to navigate. Geopolitics and uncertainty over access to western chips and chipmaking equipment also complicate the investment case, but also provide opportunities for domestic Chinese tech hardware companies to capture more of the AI spend.

Besides the internet and tech names, China has also seen a strong rally in stocks linked to the "humanoid robot" theme - an area where projections of demand, revenue potential and profitability are even less certain than AI. More broadly, Chinese consumer sentiment remains very depressed. There is little sign of a general recovery in spending beyond goods categories which have benefitted from government subsidies, but there is growing comfort that the economy is stabilising, or at the very least is no longer getting worse.

Hong Kong also performed well in the year, benefitting from expectations of lower interest rates, as well as better investor sentiment towards China and the consequent recovery in the Chinese stock market. There has also been a noticeable increase in the number of mainland companies seeking H-share listings on the Hong Kong stock exchange - a welcome flow given the importance of the finance sector to the market.

Korea and Taiwan are both tech-heavy, export-dependent economies and as such have benefitted both from the recovery in sentiment around tariff deals, and the global spend on AI datacentres. Korea also benefitted from an improvement in investor sentiment following the change in their president. Expectations are rising again that the persistent equity market discount would be reduced if the new president's planned governance and tax reforms are implemented. Investors there have also enthusiastically embraced a number of thematic investment trends beyond AI and "Value-Up", such as defence and nuclear power, which has seen pockets of the market perform exceptionally strongly.

The smaller ASEAN markets (Indonesia, Malaysia, Philippines and Thailand) all lagged the overall Index. They suffered from a combination of domestic political turmoil, as well as generally being more open, trade-oriented economies - which was a clear headwind given the prevailing US policy environment.

India was the only larger Asian market which underperformed the overall Index over the period. While reported economic numbers appear satisfactory, results announcements from companies have frequently disappointed high investor expectations. This has led to negative earnings revisions, producing a challenging backdrop for share prices when starting valuations are as elevated as they were in India. Sentiment was also not helped when, towards the end of the period, the US announced a very high tariff rate of 50% on India, partly to force them to abandon purchases of discounted Russian oil. Although it is a rather more closed economy than East Asia (and therefore less reliant on exports), high tariff levels are clearly a headwind for investor confidence and particularly for hopes of India rapidly replacing China as the key manufacturing hub for exports to the US. A high degree of domestic retail market participation also added to the volatility.

Of the major sectors, the best Index returns, by far, came from communication services (a group that includes many internet companies) and information technology (IT) - perhaps unsurprising given the strength of AI-related stocks. Laggards included some of the more traditionally defensive sectors such as consumer staples, healthcare and utilities, as well as more cyclical sectors such as energy and materials companies, which were affected by low oil prices and the stalling property market in China, which has reduced demand for commodities such as steel.

## Performance

The net asset value per share of the Company recorded a total return of +15.7% over the twelve months to end September 2025. This lagged the performance of the benchmark, the MSCI All Country Asia ex Japan Index, which rose +16.8% over the same period.

The Company's underweight exposure to China was the key factor behind the difference between the Company's NAV total return and the Index. Being underweight Korea and overweight the Philippines and Thailand, as well as the off-benchmark holdings in Vietnam and Australian resource companies, also detracted. These headwinds were offset to an extent by the positive contribution from being underweight India and overweight Singapore. However, overall regional allocation was a negative contributor to relative returns.

Stock selection across the region was positive in aggregate, with particularly strong performance in India. Our exposure to the more reasonably-valued large cap Indian banks **HDFC Bank** and **ICICI Bank** was a positive contributor. This reflected the structural appeal of private sector banks in India, given low levels of financial penetration, the opportunity to take market share from inefficient state-owned banks and the high returns on offer in a fast-growing economy. Limited exposure to the highly valued small and mid-cap segments of the Indian market also helped us to avoid some of the sharpest share price falls seen in recent months.

Although the one-year has lagged the Index, the Company's NAV has outperformed its reference benchmark over longer periods.

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*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. Any reference to sectors/countries/stocks/securities are for illustrative purposes only and not a recommendation to buy or sell any financial instrument/securities or adopt any investment strategy.*

## Portfolio activity

During the period, we initiated positions in five Chinese stocks, four of which we detailed in the Company's Half Year Report: internet platform **Meituan**, online travel agency **Trip.com**, domestic sportswear company **Anta Sports** and testing services specialist **Centre Testing**. The additional holding added since then is **Kanzhun**, the country's leading online recruitment platform. The company benefits from strong network effects, as well as being geared to benefit from any recovery in the domestic economy and labour market.

In India, we added two travel-related stocks: low-cost airline **IndiGo** (as detailed in the Half Year Report) and, more recently, online travel agent **MakeMyTrip**. Both companies stand to be beneficiaries of the long-term structural growth in the underpenetrated Indian domestic and outbound travel market, and face limited domestic competition.

Two other new holdings added in the year were Hong Kong listed luggage maker **Samsonite** and **Grab**, the dominant internet ride-hailing and on-demand delivery platform across most of southeast Asia. Samsonite had been weak given tariffs on exports to the US, and soft global travel trends - issues we judge they are better placed than competitors to weather. We used the share price weakness as an opportunity to start a position.

Tariff-induced weakness also presented opportunities to add to companies we believe are well-placed competitively over the long-term, including Korean automaker **Kia**, Chinese textile manufacturer Shenzhou and Taiwanese e-paper producer **E Ink**. We also added to existing positions in several ASEAN holdings which had sold off, including Philippine property developer **Ayala Land**, **Bumrunggrad Hospital** in Thailand, and Vietnamese retailer **Mobile World**.

We detailed several stock sales in the Half Year Report, including semiconductor packaging equipment manufacturer **ASMPT**, landlord **Hang Lung Properties**, bicycle manufacturer **Giant**, as well as small remaining positions in **SK Hynix**, **Delhivery** and **Orica**. In addition to these, we exited Indian IT services provider **TCS**, on concerns around the impact of generative AI on the sector; mature node foundry **UMC**, on the increasing competition from China; as well as luxury manufacturer **Prada**, following its acquisition of Versace. Finally, we also exited small remaining positions in Vietnamese dairy company **Vinamilk** and **Bank Negara** in Indonesia.

Other holdings where we have reduced exposure included: investment trust **VEIL**, banks **BOC Hong Kong** and **OCBC** (both likely to face earnings headwinds from a lower rate environment), and **Singapore Telecom**, which had performed strongly on the back of its own operations as well as the rising value of its regional associates, such as Bharti Airtel in India.

The overall level of gearing was increased slightly over the year, but remains moderate.

## Portfolio strategy

We continue to hold an underweight position in China. This primarily reflects structural concerns around demographics and an economic model heavily reliant on investment, manufacturing and exports. In addition, there are a preponderance of stocks which do not meet our standards of governance or business quality. These stocks include many of state-owned enterprises (SOEs), particularly banks, where alignment with the interests of minority (and especially overseas) shareholders is questionable, given their propensity to be used as policy tools by the government. Of course, the ramifications of state action are not confined to the SOE sector in China. In recent years, the government's focus on boosting the economy's supply side has meant that even in growth areas dominated by private companies, such as renewable energy equipment and electric vehicles, oversupply and an ultra-competitive environment have led to poor returns.

In our view, the recent strength of several Index heavyweight stocks has run well ahead of fundamentals and the market no longer looks particularly cheap, especially in the context of an unpredictable geopolitical environment. As a result, we remain cautious about adding materially to Chinese equities. Even if further domestic stimulus measures are announced as the trade conflict drags on, these are unlikely, in our view, to resolve the underlying structural challenges in the economy laid out above.

We remain overweight Hong Kong. In part, this is an offset to our underweight to the China market. While Hong Kong continues to feel the impacts of a weak Mainland economy, domestic interest rates have started to come down, easing liquidity, and valuations are more attractive. Company management teams in Hong Kong also typically demonstrate greater focus on capital allocation and shareholder returns than their Mainland peers. The recent influx of listings on the stock exchange is testament to the city's enduring importance as conduit for investment flows into and out of China.

We retain an underweight position in Korea. This reflects some scepticism about the ability of the government to force company management teams there to truly address their historical poor governance and capital allocation practices. The high degree of family ownership in many of the leading corporate groups, in contrast to Japan for example, complicates the task - with conflicts of interest common between controlling and minority shareholders. Quite aside from the governance concerns, many industries face intensifying competition from China. This includes the lithium-ion battery sector, which has seen the leading Chinese manufacturers overtake the Korea manufacturers on the global stage. Finally, as an export-heavy economy, trade restrictions can have an outsize impact on the market.

In the South-East Asian region, we are most exposed to Singapore. This country has been a strong performer as it has benefitted 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 attractive in this region, they are some of the most exposed in Asia to external conditions and capital flows. As mentioned earlier, there are also some concerns over the political developments in these markets (except Vietnam), which have hurt sentiment. Our off-benchmark exposure to Vietnam reflects the long-term positive structural growth we expect for that market. However, in the short-term it is one of the most at-risk regional economies from US tariffs, given the significant trade surplus they have.

India remains a relatively expensive market but has started to offer more value following its recent underperformance. The long-term outlook for India remains positive, with a relatively young, growing population and rising incomes supporting stronger domestic consumption. As valuations have come back to more reasonable levels, we have found more opportunities to add to our position here. We hope to continue to do so, given there are many well-governed and high-return companies in the market. Although India has relatively limited reliance on exports relative to many East Asian economies, clearly recent tariff and geopolitical developments (including a brief skirmish with Pakistan) have not helped investor sentiment.

IT remains an overweight sector for the Company, but one which we have moderated as stocks have rallied hard on the AI theme. In many cases valuations are now back to historically stretched levels, though earnings momentum remains strong. Clearly, should there be any disruption to the narrative of growing AI datacentre capital expenditure, several Asian IT stocks look vulnerable to a correction. For now, however, there is little sign of such a slowdown from the US companies leading the investment, despite limited evidence of enterprise or consumer willingness to spend significant sums of money on AI services.

The portfolio remains overweight 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 and many of our holdings are in the more mature markets, such as Singapore, which in general trade at attractive valuations and decent dividend yields, relative to faster-growing markets. Our direct exposure to developing economies, where credit penetration is relatively low, includes ASEAN markets such as Indonesia, as well as significant exposure to Indian banks. The pace of interest rate cuts from here will be an important driver of relative performance for many financials, given the importance of rates for their net interest income.

## **Investment Outlook**

While it may have been a surprise to see Asian equity markets perform so well in the face of a US trade war primarily targeted at the region's exporters, we would caution that the road ahead may not be so smooth. Tariffs on Asian exports to the US are well above where they started the year, and there is, at the time of writing, little clarity about where final tariff levels on some countries (particularly China and India), as well as important sectors such as semiconductors and pharmaceuticals, will end up. Asian exports remain a key driver for regional earnings, so the absolute level of tariffs clearly matters a great deal. But perhaps even more damaging is that the ongoing uncertainty around tariffs for significant trading partners and industries is likely to continue to hold companies back from making long-term investment plans, whether in Asia or the US, depressing global growth.

The anticipation of higher tariffs led to a significant uptick in exports to the US from the Pacific Rim (with the exception of China) in the early part of 2025. This 'front loading' has started to unwind now that the higher tariffs are in effect, which could have a negative impact on the sales and profits of some of the region's exporting companies.

However, while the US tariffs have grabbed the headlines - particularly in regard to companies that export to the US - the increase in intra-Asian trade as well as trade with non-Asian emerging countries in recent years could provide a counterweight to the negative impact of US protectionism, albeit part of this growth has come from the re-routing of supply chains. Since China's accession to the World Trade Organisation in 2001, the map of world trade has been transformed, and most nations of the world now do far more business with China than with the US. This both decreases the impact of US tariffs on many exporting countries, and makes it more difficult for the Trump administration to do deals at China's expense.

A further impact of the new US administration's policies has been a weakening in the Dollar, in part as a result of debt-funded fiscal stimulus swelling the government balance sheet, together with concerns around US exceptionalism and

declining interest rate expectations. Dollar weakness has historically been supportive for Asian equity markets, and this can be observed in the region's performance in 2025. However, this may not remain the case if the US suffers a significant fall in demand, which would hurt Asian exporters.

Within the region, the Chinese economy remains weak, as consumer confidence is still extremely low. Although the government has announced some measures to support the economy, 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. The Chinese and Hong Kong markets have benefited from investor hopes that the government would soon start to address some of the structural over-supply/competition concerns across various industrial sectors. Going by the rather confusing name of "anti-involution" policy, the idea is that companies will be asked to rein in excessive price discounting and moderate their capacity expansion in industries where supply already exceeds natural demand. While in many cases this would be welcome, it's important to bear in mind two caveats.

Firstly, it is harder (though not impossible) for the government to control the actions of the private sector than of state-owned enterprises. Secondly, and perhaps more significantly, the economy in China is likely to face headwinds as exports slow down. As a result, any supply-side reforms, which inevitably cause disruption to jobs or incomes, will be harder for the economy to absorb without threatening the government's overall stated GDP growth target. We will watch policy announcements closely, but history suggests the government will favour jobs and growth over supply-side reform, if the choice is between the two.

More broadly across the region, with much of the strong Asian market performance this year a result of multiple re-rating, rather than improved earnings, the resultant aggregate valuations no longer look cheap. The market now trades above long-term averages on measures such as the price/earnings (P/E) ratio. However, the region as a whole remains attractively valued compared to developed markets. As we go forward, we would expect underlying earnings to start to be a bigger driver of share prices. This may see the market broaden out from the narrow focus it has had so far this year, potentially resulting in some of the frothier areas of the market taking a breather.

## **Conclusion**

Despite the well-known challenges facing China, and the current uncertainty surrounding US trade policy, there are several reasons to be more optimistic about the long-term outlook for Asian equities. Many of the positive aspects of the investment case for Asia are domestically oriented with a number of Asian economies continuing to benefit from favourable demographics, rising income levels and deepening financial markets. As wealth increases, so too does the demand for goods and services that are already widely established in developed markets - from financial products and healthcare, to travel, technology and branded consumer goods. And while we must remain cognisant of the challenges facing a region that has historically been heavily reliant on global trade, Asia remains indispensable to the rest of the world, whether through its role in facilitating the AI revolution, or in delivering a greener global economy.

We believe this environment will continue to deliver a rich seam of high-quality companies across a diverse range of markets and sectors, offering attractive long-term growth potential for patient investors.

Abbas Barkhordar and

Richard Sennitt

### **Portfolio Managers**

**Schroder Investment**

**Management Limited**

3 December 2025

## **Risk Report**

**The Board itself, and, through its delegation to its Audit and Risk Committee, is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. The Board has adopted a detailed matrix of principal and, where applicable, emerging risks affecting the Company's business as an investment trust. The Company has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Audit and Risk Committee on an ongoing basis.**

This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives.

### **Risk assessment and internal controls review by the Board**

Risk assessment includes consideration of the scope and quality of the systems of internal control operating within key service providers, and ensures regular communication of the results of monitoring by such providers to the Audit and Risk Committee, including the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition.

Although the Board believes that it has a robust framework of internal controls in place, this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

Both the principal and emerging risks and the monitoring system are also subject to robust review at least annually. The last assessment took place in November 2025.

During the year, the Board discussed and monitored a number of risks which could potentially impact the Company's ability to meet its strategic objectives. The Board receives updates from the Investment Manager, Company Secretary and other service providers on emerging risks that could affect the Company.

Geopolitical risk includes the impact of territorial disputes, regional conflicts, trade tensions and sanctions against companies, all of which have the potential to disrupt global markets and economic stability. During the financial year, the Board continued to monitor events in the Middle East, Ukraine, ongoing pressure in the Asia Pacific region, slowing economic growth in China and supply chains. Following the election of President Trump, the Board remains mindful of uncertainty surrounding potential changes to financial and public policy, particularly concerns related to the implementation of the Trump administration's tariff regime, which could impact the Company in future. These factors are not classified as new principal or emerging risks. However, they may increase or intensify existing risks. As such, they are addressed in the "Geopolitical" section of the table below.

ESG risk includes climate change risk and how it could affect the Company's investments, and potentially shareholder returns. ESG considerations, including climate change, are embedded in the investment process. Greater transparency continues to be provided in Board reporting and the Annual Report. The Board will continue to monitor this closely. Further details are provided in the investment management section.

Following the Company's financial year end, JP Morgan was appointed to provide depositary and custody services, effective from 3 October 2025. The Board was mindful of the operational risks associated with the transition and received quarterly progress updates ahead of the transfer from HSBC to JP Morgan. Since the transition date, the Board has reviewed the depositary's audited internal controls reports relating to custodial arrangements. Further details are provided in the third party services section in the full Annual Report and Financial Statements.

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment which has been in place throughout the financial year. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company. A full analysis of the financial risks facing the Company is set out in note 20 to the Financial Statements.

Actions taken by the Board and, where appropriate, its Committees, to manage and mitigate the Company's principal risks and uncertainties are set out in the table overleaf.

The "Change" column on the right of the table highlights at a glance the Board's assessment of any increases or decreases in risk during the financial year after mitigation and management. The arrows show the risks as increased, decreased or unchanged.

Risk	Mitigation and management	Change
<b>Strategy and competitiveness</b>		
The requirements of investors change or develop in such a way as to diverge from the Company's investment objectives, resulting in a wide discount of the share price to NAV per share.	The appropriateness of the Company's investment remit is periodically reviewed and the success of the Company in meeting its stated objectives is monitored. The share price relative to NAV per share is monitored and the use of buy back authorities is considered on a regular basis. The marketing and distribution activity is regularly reviewed. The Company engages proactively with investors.	
The Company's cost base could become uncompetitive, including fees, against the peer group and against open-ended alternatives.	The Management Engagement Committee reviews fees paid to the Manager at least annually. The ongoing competitiveness of all service provider fees is subject to periodic benchmarking against their competitors, alongside an annual review of the Company's ongoing charges figure.	
<b>Investment management</b>		
The Manager's investment strategy and levels of resourcing, if inappropriate, may result in the Company underperforming the market and/or peer group companies, leading to the Company and its objectives becoming unattractive to investors.	The Investment Manager seeks to invest in companies with strong balance sheets and sustainable business models. Regular review of: <ul style="list-style-type: none"> <li>• investment performance;</li> <li>• NAV and share price performance including discount against the peer group; and</li> <li>• whether appropriate strategies are employed to mitigate any negative impact of substantial changes in markets</li> </ul>	

#### Impact of substantial changes in markets

The Manager reports on macro-economic events, including regional policies, quarterly and more frequently in response to events, if considered necessary.

The Management Engagement Committee reviews annually the ongoing suitability of the Manager.

Regular meetings with major shareholders are undertaken to seek their views with respect to Company matters.

The consideration of climate change risk and ESG factors is integrated into the investment process and reported at regular Board meetings. The Investment Manager also considers and evaluates the approach investee companies take to recognise and mitigate climate change risks. The Manager has implemented a comprehensive ESG policy which is outlined in the full Annual Report and Financial Statements.

#### Market

A significant fall in regional equity markets and/or currencies could have an adverse impact on the market value of the Company's underlying investments.

The Board continues to monitor market volatility and will continue to do so on an ongoing basis.

The Board recognises that there continues to be a currency/exchange rate risk relating to the region and monitored it carefully during the period. The Board also monitors macroeconomic and market factors, including the impact of inflation.

Those risks, including market risk, associated with the economic environment that might impact the Company are also mitigated to some extent by the Investment Manager. Note 20 to the Financial Statements provides further details of the steps taken to mitigate those risks associated with the portfolio.

The Company has no formal policy of hedging currency risk but may use foreign currency borrowings or forward foreign currency contracts to limit exposure. The Company does not hedge against sterling.

The risk profile of the portfolio is considered and appropriate strategies to mitigate any negative impact of substantial changes in markets are discussed with the Portfolio Managers.



#### Geopolitical

Political developments globally might materially affect the ability of the Company to achieve its investment objective. The region also has its own specific risks which could impact market volatility and sentiment.

The Board continued to monitor key political developments in the Asia Pacific region, in addition to the Ukraine war and the Middle East.

It was recognised that there continues to be an elevated geopolitical risk relating to the region.

Risks include regional tensions, trade wars and sanctions against companies in areas which the Company invests or may invest, that might have consequences for the Company, including an adverse effect on the value of the Company's assets.



#### Gearing and leverage



The Company utilises credit facilities. These arrangements increase the funds available for investment through borrowing. While this has the potential to enhance investment returns in rising markets, in falling markets the impact could be detrimental to performance.

Gearing is monitored and strict restrictions on borrowings are imposed: gearing continues to operate within pre-agreed limits so as not to exceed 20% of the Company's net assets.

#### Accounting, legal and regulatory change



In order to continue to qualify as an investment trust, the Company must comply with the requirements of Section 1158 of the Corporation Tax Act 2010. Breaches of the UK Listing Rules, the Companies Act or other regulations with which the Company is required to comply, could lead to a number of detrimental outcomes.

The Board intends to continue to operate the Company in full compliance with the requirements of Section 1158 of the Corporation Tax Act 2010, compliance is confirmed by the external auditor.

The confirmation of compliance with relevant laws and regulations by key service providers is reviewed.

Shareholder documents and announcements, including the Annual Report, are subject to stringent review processes. Procedures are established to safeguard against the disclosure of inside information.

#### Third party services



The Company has no employees and has delegated certain functions to a number of service providers.

Service providers appointments are subject to due diligence processes and with clearly documented contractual arrangements detailing service expectations.

Failure of controls, including as a result of fraud, cyber-attacks, or poor performance of any service provider, could lead to disruption, reputational damage or loss of shareholders' assets.

Regular reports are provided by key service providers and the quality of their services is monitored.

In particular, failure by the depositary in its role as custodian could compromise the safe custody of the Company's assets

The depositary reports on the safe custody of the Company's assets, including cash and portfolio holdings which are independently reconciled with the Manager's records.

Monitoring during the financial year included reporting on internal controls to the Audit and Risk Committee from Schroders' Group Internal Audit personnel, as well as the Company's depositary and custodian, HSBC, and registrar, Equiniti.

Operational risks may arise from the transfer of custodian, depositary and administration functions

Review of annual audited internal controls reports from key service providers, including confirmation of business continuity arrangements and IT controls.

The Company's service providers report at least annually on their compliance with a range of policies, including those relating to financial crime, modern slavery and cybersecurity.

A detailed transition plan was in place, closely monitored by the Manager's experienced transition change management team via a Risks, Assumptions Issues and Dependencies (RAID) log. The Board received quarterly progress updates, with the Audit and Risk Committee Chair acting as the primary point of contact between updating cycles. All migration of financial data from HSBC to JP Morgan was subject to close oversight by the Company's external auditor.

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## **Statement of Directors' Responsibilities in respect of the Annual Report and Financial Statements**

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Manager is responsible for the maintenance and integrity of the web pages dedicated to the Company. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

### **Directors' statement**

Each of the Directors, whose names and functions are listed in the full Annual Report and Financial Statements, confirm that to the best of their knowledge:

- the Financial Statements, which have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- the Annual Report and Financial Statements includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal and emerging risks that it faces; and
- the Annual Report and Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

**James Williams**

Chairman

3 December 2025

## Statement of Comprehensive Income

for the year ended 30 September 2025

	Note	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Gains on investments held at fair value through profit or loss	2	-	110,620	110,620	-	117,282	117,282
Net foreign currency gains		-	83	83	-	2,917	2,917
Income from investments	3	23,600	302	23,902	24,292	117	24,409
Other interest receivable and similar income	3	145	-	145	264	-	264
<b>Gross return</b>		<b>23,745</b>	<b>111,005</b>	<b>134,750</b>	<b>24,556</b>	<b>120,316</b>	<b>144,872</b>
Investment management fee	4	(1,445)	(4,333)	(5,778)	(1,526)	(4,576)	(6,102)
Administrative expenses	5	(1,553)	-	(1,553)	(1,471)	-	(1,471)
<b>Net return before finance costs and taxation</b>		<b>20,747</b>	<b>106,672</b>	<b>127,419</b>	<b>21,559</b>	<b>115,740</b>	<b>137,299</b>
Finance costs	6	(441)	(1,323)	(1,764)	(467)	(1,400)	(1,867)
<b>Net return before taxation</b>		<b>20,306</b>	<b>105,349</b>	<b>125,655</b>	<b>21,092</b>	<b>114,340</b>	<b>135,432</b>
Taxation	7	(1,850)	(2,028)	(3,878)	(1,777)	(5,916)	(7,693)
<b>Net return after taxation</b>		<b>18,456</b>	<b>103,321</b>	<b>121,777</b>	<b>19,315</b>	<b>108,424</b>	<b>127,739</b>
<b>Return per share (pence)</b>	8	<b>13.21</b>	<b>73.95</b>	<b>87.16</b>	<b>12.79</b>	<b>71.82</b>	<b>84.61</b>

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no other items of other comprehensive income, and therefore the net return after taxation is also the total comprehensive income for the year.

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

The notes in the full Annual Report and Financial Statements form an integral part of these Financial Statements.

## Statement of Changes in Equity

for the year ended 30 September 2025

Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 September 2023	15,480	100,956	4,664	8,704	700,106	21,375	851,285
Repurchase and cancellation of the							
Company's own shares	(821)	-	821	-	(41,494)	-	(41,494)
Net return after taxation	-	-	-	-	108,424	19,315	127,739
Dividend paid in the year	9	-	-	-	-	(18,371)	(18,371)
<b>At 30 September 2024</b>	<b>14,659</b>	<b>100,956</b>	<b>5,485</b>	<b>8,704</b>	<b>767,036</b>	<b>22,319</b>	<b>919,159</b>
Repurchase and cancellation of the Company's own shares	(1,261)	-	1,261	-	(70,459)	-	(70,459)
Net return after taxation	-	-	-	-	103,321	18,456	121,777
Dividend paid in the year	9	-	-	-	-	(17,827)	(17,827)
<b>At 30 September 2025</b>	<b>13,398</b>	<b>100,956</b>	<b>6,746</b>	<b>8,704</b>	<b>799,898</b>	<b>22,948</b>	<b>952,650</b>

The notes in the full Annual Report and Financial Statements form an integral part of these Financial Statements.

## Statement of Financial Position

at 30 September 2025

	Note	2025 £'000	2024 £'000
<b>Fixed assets</b>			
Investments held at fair value through profit or loss	10	993,743	955,057
<b>Current assets</b>			
Debtors	11	2,264	2,550
Cash and cash equivalents	11	8,390	5,803
		10,654	8,353
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	12	(41,513)	(34,901)
<b>Net current liabilities</b>		<b>(30,859)</b>	<b>(26,548)</b>
<b>Total assets less current liabilities</b>		<b>962,884</b>	<b>928,509</b>
<b>Non current liabilities</b>			
Deferred taxation	13	(10,234)	(9,350)
<b>Net assets</b>		<b>952,650</b>	<b>919,159</b>
<b>Capital and reserves</b>			
Called-up share capital	14	13,398	14,659
Share premium	15	100,956	100,956

	£1	£00,000	£00,000
Share premium	15	6,746	5,485
Capital redemption reserve	15	8,704	8,704
Warrant exercise reserve	15	799,898	767,036
Capital reserves	15	22,948	22,319
Revenue reserve	15		
<b>Total equity shareholders' funds</b>		<b>952,650</b>	<b>919,159</b>
<b>Net asset value per share (pence)</b>	<b>16</b>	<b>711.01</b>	<b>627.02</b>

These Financial Statements were approved and authorised for issue by the board of Directors on 3 December 2025 and signed on its behalf by:

**James Williams**

Chairman

The notes in the full Annual Report and Financial Statements form an integral part of these Financial Statements.

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

Company registration number: 03104981

## Notes to the Financial Statements

for the year ended 30 September 2025

### 1. Accounting policies

#### (a) Basis of accounting

Schroder AsiaPacific Fund plc ("the Company") is registered in England and Wales as a public company limited by shares.

The Company's registered office is 1 London Wall Place, London EC2Y 5AU.

The Financial Statements are prepared in accordance with the Companies Act 2006, United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), in particular in accordance with Financial Reporting Standard (FRS) 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" (the "SORP") issued by the Association of Investment Companies in July 2022. All of the Company's operations are of a continuing nature.

The Financial Statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments held at fair value through profit or loss. The Directors believe that the Company has adequate resources to continue operating to 31 December 2026, which is at least 12 months from the date of approval of these Financial Statements. In forming this opinion, the Directors have taken into consideration: the controls and monitoring processes in place; the Company's low level of debt and other payables; the low level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; and that the Company's assets comprise cash and readily realisable securities quoted in active markets. In forming this opinion, the Directors have also considered any potential impact of climate change on the viability of the Company. Further details of Directors' considerations regarding this are given in the Chairman's Statement, Portfolio Managers' Review, Going Concern Statement, Viability Statement and under the Risk report heading in the full Annual Report and Financial Statements.

In accordance with the Company's Articles of Association, a continuation resolution will be proposed at the 2026 AGM. The Company has delivered positive NAV/total returns for the past three years and increased its dividend for ten consecutive years. Based on this performance, shareholder engagement, and the absence of material uncertainties, the Directors consider the Company a going concern and have prepared the financial statements on that basis.

In preparing these Financial Statements the Directors have considered the impact of climate change on the value of the Company's investments. The Board has concluded that, as the investments are all valued using quoted bid prices in active markets, the fair value reflects market participants' views of climate change risk.

The Company has not presented a statement of cash flows, as it is not required for an investment trust which meets certain conditions; in particular that substantially all of the Company's investments are highly liquid and held at fair value.

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

The accounting policies applied to these Financial Statements are consistent with those applied in the Financial Statements for the year ended 30 September 2024.

No significant judgements, estimates or assumptions have been required in the preparation of the Financial Statements for the current or preceding financial year.

#### (b) Valuation of investments

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in

accordance with a documented investment objective and information is provided internally on that basis to the Company's Board of Directors. Accordingly, upon initial recognition the investments are classified by the Company as "held at fair value through profit or loss". Investments are included initially at fair value which is taken to be their cost, excluding expenses incidental to purchase which are written off to capital at the time of acquisition. Subsequently the investments are valued at fair value, which are quoted bid prices for investments traded in active markets.

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

**(c) Accounting for reserves**

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

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

The cost of repurchasing shares, including the related stamp duty and transactions costs, is charged to realised capital reserves.

**(d) Income**

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

Overseas dividends are included gross of any withholding tax.

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

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

**(e) Expenses**

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

- The management fee is allocated 25% to revenue and 75% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.
- Expenses incidental to the purchase or sale of an investment are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transaction costs are given in note 10.

**(f) Finance costs**

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

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

**(g) Financial instruments**

Cash and cash equivalents comprise cash and demand deposits and may include short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

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

Bank loans are classified as financial liabilities at amortised cost. They are initially measured at the proceeds received, net of direct issue costs, and subsequently measured at amortised cost using the effective interest method.

**(h) Taxation**

The tax charge for the year is based on amounts expected to be received or paid.

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

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

Deferred tax is measured at the tax rate which is expected to apply in the periods in which the timing differences are

expected to reverse, based on tax rates that have been enacted or substantively enacted at the balance sheet date and is measured on an undiscounted basis.

**(i) Value added tax ("VAT")**

Expenses are disclosed inclusive of any related irrecoverable VAT.

**(j) Foreign currency**

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

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

**(k) Dividends payable**

In accordance with FRS 102, the final dividend is included in the Financial Statements in the year in which it is approved by shareholders.

**(l) Repurchases of shares for cancellation**

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

**2. Gains on investments held at fair value through profit or loss**

	2025 £'000	2024 £'000
Gains/(losses) on sales of investments based on historic cost	14,392	(6,055)
Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year	(26,418)	(4,436)
<b>(Losses) on sales of investments based on the carrying value at the previous balance sheet date</b>	<b>(12,026)</b>	<b>(10,491)</b>
Unrealised gains recognised in respect of investments continuing to be held	122,646	127,773
<b>Gains on investments held at fair value through profit or loss</b>	<b>110,620</b>	<b>117,282</b>

**3. Income**

	2025 £'000	2024 £'000
<b>Income from investments</b>		
Overseas dividends	22,854	23,399
UK dividends	746	893
	<b>23,600</b>	<b>24,292</b>
<b>Other interest receivable and similar income</b>		
Deposit interest	144	191
Other income	1	73
	<b>145</b>	<b>264</b>
<b>Capital</b>		
Special dividend allocated to capital	302	117
<b>Total income</b>	<b>24,047</b>	<b>24,673</b>

**4. Investment management fee**

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Management fee	1,445	4,333	5,778	1,526	4,576	6,102

Until 1 April 2025, under the terms of the AIFM agreement, the Manager was entitled to a fee of 0.75% per annum on the first £600 million of the cum income net assets, and 0.60% per annum on the cum income net assets in excess of £600 million. Under the revised terms of the AIFM agreement, effective from 1 April 2025, the Manager is entitled to a fee of 0.65% per annum of the first £600 million of the cum income net assets and 0.60% per annum on the cum income net assets in excess of £600 million.

**5. Administrative expenses**

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Administration expenses	1,112	-	1,112	1,052	-	1,052
Directors' fees <sup>1</sup>	236	-	236	216	-	216
Company secretarial and administration fee	150	-	150	150	-	150

Auditors remuneration for audit services	£	-	£	-	£	
	1,553	-	1,553	1,471	-	1,471

1 Full details are given in the remuneration report in the full Annual Report and Financial Statements.

## 6. Finance costs

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Interest on bank loans and overdrafts	441	1,323	1,764	467	1,400	1,867

## 7. Taxation

### (a) Analysis of tax charge for the year

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Irrecoverable overseas withholding tax	1,850	-	1,850	1,777	-	1,777
Overseas capital gains tax	-	2,028	2,028	-	5,916	5,916
<b>Taxation for the year</b>	<b>1,850</b>	<b>2,028</b>	<b>3,878</b>	<b>1,777</b>	<b>5,916</b>	<b>7,693</b>

The Company has no corporation tax liability for the year ended 30 September 2025 (2024: nil).

The provision for overseas capital gains tax pertains to the deferred tax liability on the unrealised gain on Indian securities.

Until 23 July 2024, the headline rates of Indian capital gains tax were 10% for long-term capital gains (LTCG) and 15% for short-term capital gains (STCG), respectively, plus associated surcharges of approximately 1-1.5%. From 23 July 2024, the headline rates were increased to 12.5% for LTCG and 20% for STCG, respectively, plus associated surcharges.

### (b) Factors affecting tax charge for the year

The tax assessed for the year is lower (2024: lower) than the Company's applicable rate of corporation tax for the year of 25% (2024: 25%).

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

	2025 Revenue £'000	2025 Capital £'000	2025 Total £'000	2024 Revenue £'000	2024 Capital £'000	2024 Total £'000
Net return before taxation	20,306	105,349	125,655	21,092	114,340	135,432
Net return before taxation multiplied by the Company's applicable rate of corporation tax for the year of 25% (2024: 25%)	5,077	26,337	31,414	5,273	28,585	33,858
<b>Effects of:</b>						
Capital returns on investments	-	(27,676)	(27,676)	-	(30,050)	(30,050)
Income not chargeable to corporation tax	(5,900)	(75)	(5,975)	(6,073)	(29)	(6,102)
Irrecoverable overseas withholding tax	1,850	-	1,850	1,777	-	1,777
Provision for overseas capital gains tax	-	2,028	2,028	-	5,916	5,916
Unrelieved expenses for the period	823	1,414	2,237	800	1,494	2,294
<b>Taxation for the year</b>	<b>1,850</b>	<b>2,028</b>	<b>3,878</b>	<b>1,777</b>	<b>5,916</b>	<b>7,693</b>

### (c) Deferred tax

The Company has an unrecognised deferred tax asset of £24,443,000 (2024: £22,206,000) based on a main rate of corporation tax of 25% (2024: 25%).

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

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

## 8. Return per share

	2025 £'000	2024 £'000
Revenue return	18,456	19,315
Capital return	103,321	108,424
<b>Total return</b>	<b>121,777</b>	<b>127,739</b>
Weighted average number of shares in issue during the year	139,722,896	150,976,540
Revenue return per share (pence)	13.21	12.79
Capital return per share (pence)	73.95	71.82
<b>Total return per share (pence)</b>	<b>87.16</b>	<b>84.61</b>

## 9. Dividends

**Dividends paid and proposed**

	2025 £'000	2024 £'000
2024 final dividend of 12.50p (2023: 12.00p) paid out of revenue profits	17,827	18,371
	2025 £'000	2024 £'000
2025 final dividend proposed of 13.00p (2024: 12.50p) to be paid out of revenue profits	17,418	18,324

The 2024 final dividend amounted to £18,324,000. However the amount actually paid was £17,827,000, as shares were repurchased and cancelled after the accounting date, but prior to the dividend record date.

The proposed final dividend amounting to £17,418,000 (2024: £18,324,000) is the amount used for the basis of determining whether the Company has satisfied the distribution requirements of section 1158 of the Corporation Tax Act 2010. The revenue available for distribution for the year is £18,456,000 (2024: £19,315,000).

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

	2024 £'000	2025 £'000
Opening book cost	751,478	708,664
Opening investment holding gains	123,056	246,393
<b>Opening fair value</b>	<b>874,534</b>	<b>955,057</b>
Purchases at cost	166,344	180,420
Sales proceeds	(203,103)	(252,354)
Gains/(losses) on investments held at fair value	117,282	110,620
<b>Closing fair value</b>	<b>955,057</b>	<b>993,743</b>
Closing book cost	708,664	651,122
Closing investment holding gains	246,393	342,621
<b>Closing fair value</b>	<b>955,057</b>	<b>993,743</b>

Sales proceeds amounting to £252,354,000 (2024: £203,103,000) were receivable from disposals of investments in the year. The book cost of these investments when they were purchased was £237,962,000 (2024: £209,159,000). These investments have been revalued over time and until they were sold any unrealised gains and losses were included in the fair value of the investments.

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

	2025 £'000	2024 £'000
On acquisitions	270	172
On disposals	462	381
	<b>732</b>	<b>553</b>

**11. Current assets**

**Debtors**

	2025 £'000	2024 £'000
Securities sold awaiting settlement	987	916
Dividends and interest receivable	1,162	1,361
Taxation recoverable	74	235
Other debtors	41	38
	<b>2,264</b>	<b>2,550</b>

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

**Cash and cash equivalents**

Cash and cash equivalents comprise cash and demand deposits and may include short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

**12. Current liabilities**

	2025 £'000	2024 £'000
<b>Creditors: amounts falling due within one year</b>		
Bank loan	37,140	29,821
Repurchase of the Company's own shares into treasury awaiting settlement	341	825
Securities purchased awaiting settlement	2,002	2,111
Other creditors and accruals	2,030	2,144
	<b>41,513</b>	<b>34,901</b>

The bank loan comprises US 50 million (£37.1 million) drawn down on the Company's £75 million multicurrency revolving credit facility with Bank of Nova Scotia, London Branch.

The facility was secured on 2 July 2025 and has a maturity date of 1 July 2026. The amendment and renewal of the facility are subject to covenants and restrictions customary for a facility of this nature, all of which have been complied with throughout the period.

The bank loan at the prior year end comprised US 50 million (£37.1 million) drawn down on the Company's previous £75 million multicurrency credit facility with Bank of Nova Scotia.

The Company has a £30 million overdraft facility with HSBC Bank plc, secured by a floating charge. The facility was utilised during the year, and overdraft interest was incurred. However, the overdraft was not drawn down at the year-end date.

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

### 13. Deferred taxation

Deferred taxation comprises the deferred tax liability on the unrealised gain on Indian securities. Indian capital gains tax arises on disposal of the underlying asset.

### 14. Called-up share capital

	2025 £'000	2024 £'000
<b>Ordinary shares allotted, called up and fully paid:</b>		
Ordinary shares of 10p each:		
Opening balance of 146,591,216 (2024: 154,800,716) shares	14,659	15,480
Repurchase and cancellation of 12,605,983 (2024: 8,209,500) shares	(1,261)	(821)
<b>Closing balance of 133,985,233 (2024: 146,591,216) shares</b>	<b>13,398</b>	<b>14,659</b>

During the year, the Company made market purchases of 12,605,983 of its own shares, nominal value £1,260,598, for cancellation, representing 8.6% of the shares outstanding at the beginning of the year. The total consideration paid for these shares amounted to £70,459,000. The reason for these purchases was to seek to manage the volatility of the share price discount to NAV per share.

### 15. Reserves

	Share premium <sup>1</sup> £'000	Capital redemption reserve <sup>2</sup> £'000	Warrant exercise reserve <sup>3</sup> £'000	Investment losses on sales of investments <sup>4</sup> £'000	Capital reserves Gains and losses on sales of investments holdings £'000	Investment gains and losses <sup>5</sup> £'000	Revenue reserve <sup>6</sup> £'000
<b>At 30 September 2024</b>	<b>100,956</b>	<b>5,485</b>	<b>8,704</b>	<b>527,599</b>	<b>239,437</b>	<b>22,319</b>	
Losses on sales of investments based on the carrying value at the previous balance sheet date	-	-	-	(12,026)	-	-	
Net movement in investment holding gains and losses	-	-	-	-	122,646	-	
Transfer on disposal of investments	-	-	-	26,418	(26,418)	-	
Realised exchange gains on cash and short-term deposits	-	-	-	(138)	-	-	
Exchange gains on the credit facility	-	-	-	-	221	-	
Overseas capital gains tax	-	-	-	(669)	(1,359)	-	
Special dividend allocated to capital	-	-	-	302	-	-	
Management fee, administrative expenses and finance costs allocated to capital	-	-	-	(5,656)	-	-	
Repurchase and cancellation of the Company's own shares	-	1,261	-	(70,459)	-	-	
Dividend paid	-	-	-	-	-	(17,827)	
Retained revenue for the year	-	-	-	-	-	18,456	
<b>At 30 September 2025</b>	<b>100,956</b>	<b>6,746</b>	<b>8,704</b>	<b>465,371</b>	<b>334,527</b>	<b>22,948</b>	

	<b>Capital &amp; Reserves</b>					
	Capital share premium <sup>1</sup> £'000	Capital redemption reserve <sup>2</sup> £'000	Warrant exercise reserve <sup>3</sup> £'000	Investment losses on sales of investments <sup>4</sup> £'000	Investment gains and losses <sup>5</sup> £'000	Revenue reserve <sup>6</sup> £'000
<b>At 30 September 2023</b>	<b>100,956</b>	<b>4,664</b>	<b>8,704</b>	<b>581,370</b>	<b>118,736</b>	<b>21,375</b>
Losses on sales of investments based on the carrying value at the previous balance sheet date	-	-	-	(10,491)	-	-
Net movement in investment holding gains and losses	-	-	-	-	127,773	-
Transfer on disposal of investments	-	-	-	4,436	(4,436)	-
Realised exchange losses on cash and short-term	-	-	-	340	-	-

deposits						
Exchange gains on the credit facility	-	-	-	-	2,577	-
Overseas capital gains tax	-	-	-	(703)	(5,213)	-
Special dividend allocated to capital	-	-	-	117	-	-
Management fee, administrative expenses and finance						
costs allocated to capital	-	-	-	(5,976)	-	-
Repurchase and cancellation of the Company's own shares	-	821	-	(41,494)	-	-
Dividend paid	-	-	-	-	-	(18,371)
Retained revenue for the year	-	-	-	-	-	19,315
<b>At 30 September 2024</b>	<b>100,956</b>	<b>5,485</b>	<b>8,704</b>	<b>527,599</b>	<b>239,437</b>	<b>22,319</b>

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

- 1 The share premium is a non distributable reserve and represents the amount by which the fair value of the consideration received from shares issued exceeds the nominal value of shares issued.
- 2 The capital redemption reserve represents the accumulated nominal value of shares repurchased for cancellation. This reserve is not distributable.
- 3 The warrant exercise reserve is a non distributable reserve and arose via an apportionment of the premium on the issue of shares with warrants attached.
- 4 This is a realised (distributable) capital reserve which may be used to repurchase the Company's own shares or distributed as dividends.
- 5 This reserve comprises holding gains on liquid investments (which may be deemed to be realised) and other amounts which are unrealised. The reserve is predominantly distributable.
- 6 The revenue reserve may be distributed as dividends or used to repurchase the Company's own shares.

#### 16. Net asset value per share

	2025 £'000	2024 £'000
Net assets attributable to shareholders (£'000)	952,650	919,159
Shares in issue at the year end	133,985,233	146,591,216
<b>Net asset value per share (pence)</b>	<b>711.01</b>	<b>627.02</b>

#### 17. Transactions with the Manager

Under the terms of the AIFM Agreement, the Manager is entitled to receive a management fee and a company secretarial and administration fee. Details of the basis of the management fee calculation are given in note 4. Any investments in funds managed or advised by the Manager or any of its associated companies, are excluded from the assets used for the purpose of the calculation and therefore incur no fee.

As at the year ended 30 September 2025, the Company held 9,173,923 shares (2024: 11,471,124) in Schroder Asian Discovery Fund Class Z Accumulation GBP, with the market value of £11,706,000 (2024: £14,500,000). During the year, the Company sold 2,297,201 shares (2024: 1,567,762) and generated total proceeds of £2,957,000 (2024: £1,745,000) from the sales.

The management fee payable in respect of the year ended 30 September 2025 amounted to £5,778,000 (2024: £6,102,000), of which £1,499,000 (2024: £1,590,000) was outstanding at the year end. The company secretarial and administration fee payable in respect of the year ended 30 September 2025 amounted to £150,000 (2024: £150,000), of which £38,000 (2024: £38,000) was outstanding at the year end.

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

#### 18. Related party transactions

Details of the remuneration payable to Directors are given in the Directors' Remuneration Report and details of Directors' shareholdings are given in the Directors' Remuneration Report in the full Annual Report and Financial Statements. Details of transactions with the Manager are given in note 17 above. There have been no other transactions with related parties during the year (2024: nil).

#### 19. Disclosures regarding financial instruments measured at fair value

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

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

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

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

Level 3 - valued using inputs that are unobservable.

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

There were no derivative instruments held at the year-end date.

At 30 September 2025, the Company's investment portfolio was categorised as follows:

	2025 Level 1 £'000	2025 Level 2 £'000	2025 Level 3 £'000	Total £'000
Investments in equities and equity linked securities	982,037	11,706	-	993,743
<b>Total</b>	<b>982,037</b>	<b>11,706</b>	<b>-</b>	<b>993,743</b>
	2024 Level 1 £'000	2024 Level 2 £'000	2024 Level 3 £'000	Total £'000
Investments in equities and equity linked securities	940,557	14,500	-	955,057
<b>Total</b>	<b>940,557</b>	<b>14,500</b>	<b>-</b>	<b>955,057</b>

The fair value of the Level 2 investment in the Schroder Asian Discovery Fund Z Acc has been determined using the fund's published NAV, which is based on observable prices of underlying assets but not quoted in an active market. This investment is also disclosed in Note 17 - Transactions with the Manager, as it represents a holding in a fund managed by Schroders.

## 20. Financial instruments' exposure to risk and risk management policies

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

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

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

- investments in shares, warrants, depositary receipts and government bonds which are held in accordance with the Company's investment objective;
- short-term debtors, creditors and cash arising directly from its operations;
- a multi-currency overdraft facility with HSBC Bank plc, the purpose of which is to assist in financing the Company's operations; and
- a multi-currency revolving credit facility with Bank of Nova Scotia, the purpose of which is to assist in financing the Company's operations.

### (a) Market risk

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

#### (i) Currency risk

The majority of the Company's assets, liabilities and income are denominated in currencies other than sterling, which is the Company's functional currency and the presentational currency of the Financial Statements. As a result, movements in exchange rates will affect the sterling value of those items.

#### Management of currency risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board, which meets on at least four occasions each year. The Manager measures the risk to the Company of the foreign currency

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

#### Foreign currency exposure

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

	Hong Kong Dollars £'000	South							Total £'000
		US Dollars £'000	Korean Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Chinese Yuan £'000	
<b>2025</b>									
<b>Current assets</b>	<b>352</b>	<b>4</b>	<b>271</b>	<b>1,699</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>95</b>	<b>141</b>
<b>Current liabilities</b>									<b>(38,365)</b>
Creditors: amounts falling due within one year	-	(37,281)	(41)	(1,043)	-	-	-	-	-
<b>Foreign currency exposure on net monetary items</b>	<b>352</b>	<b>(37,277)</b>	<b>230</b>	<b>656</b>	<b>-</b>	<b>-</b>	<b>245</b>	<b>95</b>	<b>141</b>
Investments held at fair value through profit or loss <sup>1</sup>	239,262	18,404	71,408	199,309	77,854	33,927	153,715	42,339	76,805
<b>Total net foreign currency exposure</b>	<b>239,614</b>	<b>(18,873)</b>	<b>71,638</b>	<b>199,965</b>	<b>77,854</b>	<b>33,927</b>	<b>153,960</b>	<b>42,434</b>	<b>76,946</b>
									<b>877,465</b>

<sup>1</sup> Excluding any stocks priced in sterling.

	Hong Kong Dollars £'000	South							Total £'000
		US Dollars £'000	Korean Won £'000	Taiwan Dollars £'000	Singapore Dollars £'000	Thai Baht £'000	Indian Rupees £'000	Chinese Yuan £'000	
<b>2024</b>									
<b>Current assets</b>	<b>2,389</b>	<b>286</b>	<b>377</b>	<b>592</b>	<b>-</b>	<b>-</b>	<b>261</b>	<b>161</b>	<b>767</b>
<b>Current liabilities</b>									<b>(32,162)</b>
Creditors: amounts falling due within one year	(2,111)	(29,953)	(57)	(41)	-	-	-	-	-
<b>Foreign currency exposure on net monetary items</b>	<b>278</b>	<b>(29,667)</b>	<b>320</b>	<b>551</b>	<b>-</b>	<b>-</b>	<b>261</b>	<b>161</b>	<b>767</b>
Investments held at fair value through profit or loss <sup>1</sup>	239,262	18,404	71,408	199,309	77,854	33,927	153,715	42,339	76,805
<b>Total net foreign currency exposure</b>	<b>239,540</b>	<b>(11,263)</b>	<b>71,728</b>	<b>199,860</b>	<b>77,854</b>	<b>33,927</b>	<b>153,976</b>	<b>42,500</b>	<b>77,572</b>
									<b>885,694</b>

<sup>1</sup> Excluding any stocks priced in sterling.

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

#### Foreign currency sensitivity

The following tables illustrate the sensitivity of net profit for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The effect on capital return below is predominantly due to the change in net monetary liabilities and the effect on income return is predominantly due to change in dividends, or revenue items that were subject to foreign exchange rate movement. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each accounting date and assumes a 10% (2024: 10%) appreciation or depreciation in sterling against all the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

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

Statement of Comprehensive Income - return after taxation	2025 £'000	2024 £'000
Revenue return	2,056	2,116
Capital return	(3,861)	(3,453)
<b>Total return after taxation</b>	<b>(1,805)</b>	<b>(1,337)</b>
<b>Net assets</b>	<b>(1,805)</b>	<b>(1,337)</b>

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

Statement of Comprehensive Income- return after taxation	2025 £'000	2024 £'000
Revenue return	(2,056)	(2,116)
Capital return	3,861	3,453
<b>Total return after taxation</b>	<b>1,805</b>	<b>1,337</b>
<b>Net assets</b>	<b>1,805</b>	<b>1,337</b>

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

#### (ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings when interest rates are re-set.

#### Management of interest rate risk

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

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

#### Interest rate exposure

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

Exposure to floating interest rates:	2025 £'000	2024 £'000
Cash and cash equivalents	8,390	5,803
Creditors: amounts falling due within one year - borrowings on the credit facility	(37,140)	(29,821)
<b>Net exposure</b>	<b>(28,750)</b>	<b>(24,018)</b>

Sterling cash deposits at call earn interest at floating rates based on Sterling Overnight Index Average ("SONIA") rates, (2024: SONIA).

The Company has arranged a £75 million credit facility with Bank of Nova Scotia, effective from 2 July 2025. Interest is payable at the aggregate of the compounded Risk Free Rate ("RFR") for the relevant currency and loan period, plus a margin. Amounts are normally drawn down on the facility for a one month period, at the end of which it may be rolled over or adjusted. At 30 September 2025, the Company had drawn down US 50 million (£37.1 million) for a one month period, at an interest rate of 5.26% per annum.

At the prior year end, the Company had drawn down US 40 million (£29.8 million) on the preceding facility with Bank of Nova Scotia.

The Company also has a £30 million overdraft facility with HSBC Bank plc, secured by a floating charge.

The above year end amounts are not representative of the exposure to interest rates during the year as the level of cash balances and drawings on the credit facility have fluctuated. The maximum net cash/(debt) balances during the year are as follows:

	2025 £'000	2024 £'000
Maximum debit interest rate exposure during the year - debt	(30,804)	(27,981)
Maximum credit interest rate exposure during the year - net cash	(12,312)	3,671

#### Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.5% (2024: 1.5%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the accounting date with all other variables held constant.

Statement of Comprehensive Income - return after taxation	2025 1.5% increase	2025 1.5% decrease	2024 1.5% increase	2024 1.5% decrease
	in rate £'000	in rate £'000	in rate £'000	in rate £'000
Revenue return	(13)	13	(25)	25

Capital return	(418)	418	(335)	335
<b>Total return after taxation</b>	<b>(431)</b>	<b>431</b>	<b>(360)</b>	<b>360</b>
<b>Net assets</b>	<b>(431)</b>	<b>431</b>	<b>(360)</b>	<b>360</b>

In the opinion of the Directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances and drawings on the credit facility.

### **(iii) Market price risk**

Market price risk includes changes in market prices, other than those arising from interest rate risk, which may affect the value of investments.

#### **Management of market price risk**

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

#### **Market price risk exposure**

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

	2025 £'000	2024 £'000
Investments held at fair value through profit or loss	993,743	955,057

The above data is broadly representative of the exposure to market price risk during the year.

The Schroder Asian Discovery Fund Z Acc is a daily-priced collective investment scheme, which is not a listed security, and is included within Investments held at fair value through profit or loss.

#### **Concentration of exposure to market price risk**

An analysis of the Company's investments is given in the full Annual Report and Financial Statements. This shows that the portfolio comprises investments trading in Asian countries. Accordingly there is a concentration of exposure to that region.

#### **Market price risk sensitivity**

The following table illustrates the sensitivity of the return after taxation for the year and net assets to an increase or decrease of 25% (2024: 25%) in the fair values of the Company's investments. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's investments and adjusting for the change in the management fee, but with all other variables held constant.

	2025 25% increase in fair value £'000	2025 25% decrease in fair value £'000	2024 25% increase in fair value £'000	2024 25% decrease in fair value £'000
<b>Statement of Comprehensive Income - return after taxation</b>				
Revenue return	(368)	368	(358)	358
Capital return	247,331	(247,331)	237,690	(237,690)
<b>Total return after taxation and net assets</b>	<b>246,963</b>	<b>(246,963)</b>	<b>237,332</b>	<b>(237,332)</b>
<b>Percentage change in net asset value</b>	<b>25.9%</b>	<b>(25.9%)</b>	<b>25.8%</b>	<b>(25.8%)</b>

### **(b) Liquidity risk**

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

#### **Management of the risk**

Liquidity risk is managed as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of a credit facility and an overdraft facility.

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

#### **Liquidity risk exposure**

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

	Three months or less	Three months or less
	2025	2024
	£'000	£'000
<b>Creditors: amounts falling due within one year</b>		
Bank loan - including interest	37,140	29,861
Repurchase of the Company's own shares into treasury awaiting settlement	341	825
Securities purchased awaiting settlement	2,002	2,111
Other creditors and accruals	2,030	2,144
	<b>41,513</b>	<b>34,941</b>

#### (c) Credit risk

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

##### Management of credit risk

This risk is not significant and is managed as follows:

##### Portfolio dealing

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

##### Exposure to the custodian

The custodian of the Company's assets at the balance sheet date was HSBC Bank plc which has long-term credit ratings of AA with Fitch and Aa3 with Moody's.

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

##### Credit risk exposure

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

#### (d) Fair values of financial assets and financial liabilities

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

#### 21. Capital management policies and procedures

The Company's objectives, policies and processes for managing capital are unchanged from the preceding year.

The Company's debt and capital structure comprises the following:

	2025 £'000	2024 £'000
<b>Debt</b>		
Bank loan	37,140	29,821
<b>Equity</b>		
Called-up share capital	13,398	14,659
Reserves	939,252	904,500
	<b>952,650</b>	<b>919,159</b>
<b>Total debt and equity</b>	<b>989,790</b>	<b>948,980</b>

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

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

	£'000	£'000
Borrowings used for investment purposes, less cash	28,750	24,018
Net assets	952,650	919,159
Gearing	3.0%	2.6%

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back the Company's own shares for cancellation or to hold in treasury, which takes into account the share price discount;
- the opportunity for issue of new shares; and
- the amount of dividends to be paid, in excess of that which is required to be distributed.

## 22. Events after the accounting date that have not been reflected in the Financial Statements

The Depositary, Administration and Custody services of the Company transitioned from HSBC Bank plc to J.P. Morgan Europe Limited and JPMorgan Chase Bank, N.A, London Branch effective 3 October 2025.

There have been no other events we are aware of since the balance sheet date which either require changes to be made to the figures included in the Financial Statements or to be disclosed by way of note.

### Status of results announcement

#### 2025 Financial Information

The figures and financial information for 2025 are extracted from the Annual Report and Financial Statements for the year ended 30 September 2025 and do not constitute the statutory accounts for that year. The Annual Report and Financial Statements include the Report of the Independent Auditors which is unqualified and does not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006. The Annual Report and Accounts will be delivered to the Registrar of Companies in due course.

#### 2024 Financial Information

The figures and financial information for 2024 are extracted from the published Annual Report and Financial Statements for the year ended 30 September 2024 and do not constitute the statutory accounts for the year. The Annual Report and Financial Statements have been delivered to the Registrar of Companies and included the Report of the Independent Auditors which was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

Neither the contents of the Company's web pages nor the contents of any website accessible from hyperlinks on the Company's web pages (or any other website) is incorporated into, or forms part of, this announcement.

3 December 2025

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ENDS

A copy of the 2025 Annual Report will shortly be submitted to the FCA's National Storage Mechanism and will be available for inspection at <https://data.fca.org.uk/#/nsm/nationalsstoragemechanism>

The 2025 Annual Report will shortly be available on the Company's web pages at [www.schroders.co.uk/asiapacific](http://www.schroders.co.uk/asiapacific) where up-to-date information on the Company, including daily NAV and share prices, factsheets and portfolio information can also be found.

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