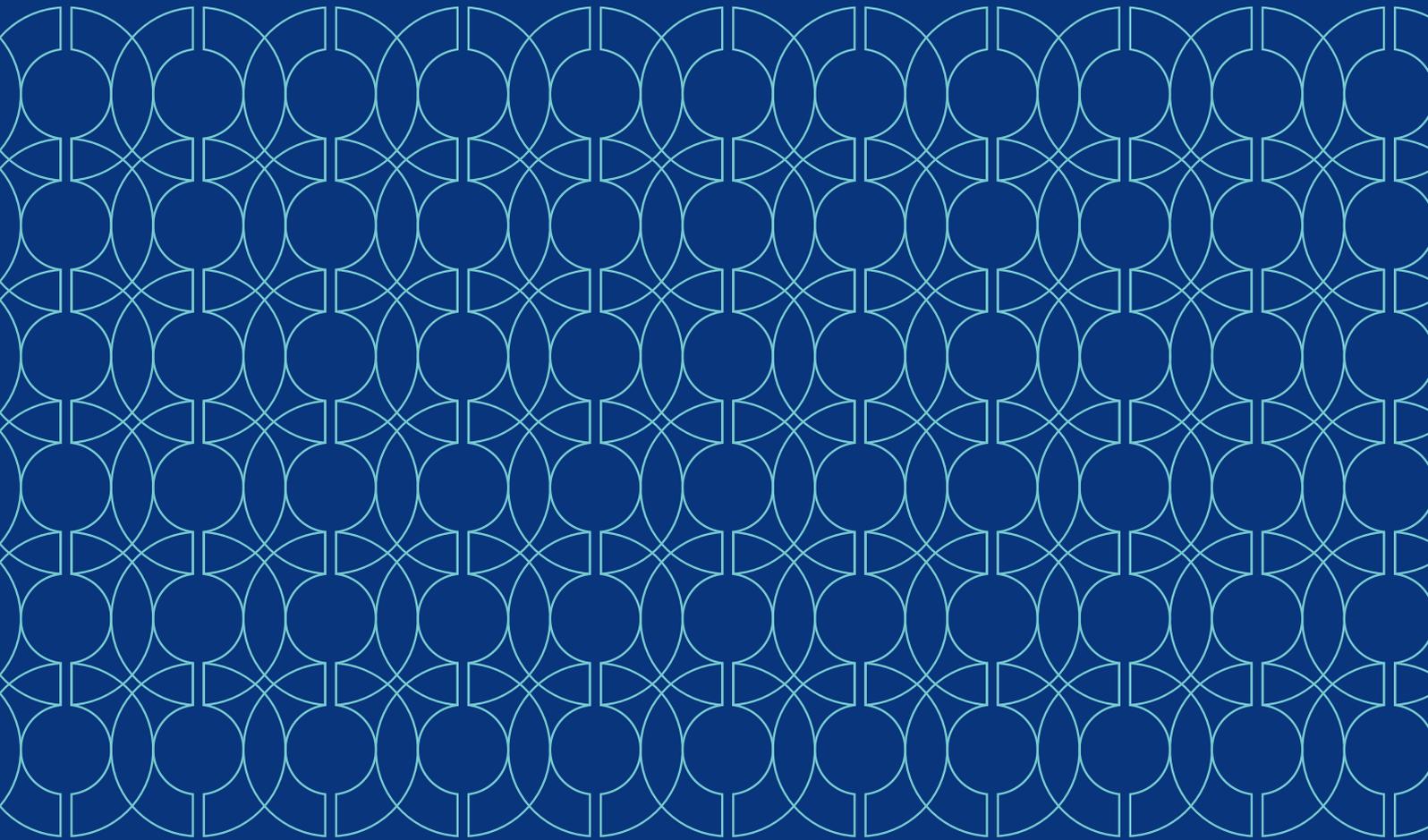


Schroders

SCHRODER ASIAN EQUITY YIELD FUND

Annual Report & Financial Statements

December 2018



SCHRODER ASIAN EQUITY YIELD FUND

(a sub-fund of Schroder International Choice Portfolio)

Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998

Manager

Schroder Investment Management (Singapore) Ltd
138 Market Street
#23-01 CapitaGreen
Singapore 048946
Company Registration No. 199201080H

Trustee

HSBC Institutional Trust Services (Singapore) Limited
21 Collyer Quay
#13-02 HSBC Building
Singapore 049320
Company Registration No. 194900022R

Auditor

PricewaterhouseCoopers LLP
7 Straits View
Marina One East Tower, Level 12
Singapore 018936

Solicitor to the Manager

Allen & Gledhill LLP
One Marina Boulevard #28-00
Singapore 018989

Solicitor to the Trustee

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

Further Information

Schroders is a Foreign Account Tax Compliance Act (“FATCA”) compliant organisation. Please find the FATCA classification of this Fund and its Global Intermediary Identification Number (“GIIN”) below.

FATCA entity classification: Nonreporting IGA FFI / Sponsored Investment Entity

GIIN: WM9S4Z.00022.SF.702

SCHRODER ASIAN EQUITY YIELD FUND

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COMMENTARY

The Fund posted negative returns in 2018 but outperformed the broader Pacific ex Japan index, which ended in decline alongside global equity markets. Global equity markets zoomed off in January to the third best start to the year since 1988 but corrected substantially, capping off the worst year since the Global Financial Crisis. Pervasive and persistent global growth slowdown coupled with shrinking global liquidity and noise around the trade war nurtured risk-off sentiments among investors. Concerns over tightening monetary policy as central banks take steps towards normalisation are gradually giving way to fears over a deteriorating growth outlook. China's economy weakened due to the lagged effects of slower credit growth onshore as authorities sought to rein in the shadow banking sector. Escalating trade friction with the US and tariffs imposed so far have hurt corporate confidence and capex decisions, weighing further on growth prospects.

High oil prices and a strong US dollar had put upward pressure on interest rates on emerging Asian markets, leaving liquidity conditions tighter in general – a further headwind to growth. More recently, however, oil prices have corrected sharply from their highs, alleviating pressures on current accounts of the more fragile emerging economies.

At the same time, US bond yields and rate expectations moderated significantly at the end of 2018, partly in response to the crack in the US stock market and also due to the ongoing slowdown in growth outside the US.

Our view remains that in contrast to previous “taper tantrums”, Asian emerging markets generally look better placed today from a macro perspective. That said, the backdrop for 2019 remains weak given persistent uncertainty on the trade front and continued increases in US dollar interest rates in the next few months. However, on a medium-term view, structural deflation will mean that bond yields should remain lower for longer. The demographic trend of an aging global population will underpin dividend investing in the longer term.

In the near term, dividend investing remains relevant, especially in view of the weak economic backdrop, given its strong bias to quality businesses with sound capital structures and strong cash flow generation. In Asia, where payout ratios remain amongst the lowest globally, steeply rising profitability, historically low gearing and burgeoning free cash flows present the best conditions for dividends to surprise on the upside. The propensity for dividends to surprise in Asia is further helped by improving corporate governance and regulatory changes in the region.

In terms of portfolio strategy, we will pick up Dividend Surprise opportunities as they present themselves in an environment that we believe is conducive. Dividend Surprise ideas in the portfolio are found in select Chinese, Korean, Indian and Australian names. We continue to be well-diversified across our portfolio of Dividend Cows and Growers, and our preferred areas of investment remain in select blue chips in Hong Kong and Australia, as well as in China and Singapore.

December 2018

SCHRODER ASIAN EQUITY YIELD FUND

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Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998

REPORT OF THE TRUSTEE

For the financial year ended 31 December 2018

The Trustee is under a duty to take into custody and hold the assets of Schroder Asian Equity Yield Fund (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act (Cap. 289), its subsidiary legislation and the Code on Collective Investment Schemes, the Trustee shall monitor the activities of the Manager for compliance with the limitations imposed on the investment and borrowing powers as set out in the Trust Deed in each annual accounting year and report thereon to unitholders in an annual report.

To the best knowledge of the Trustee, the Manager has, in all material respects, managed the Fund during the financial year covered by these financial statements, set out on pages 8 to 33, in accordance with the limitations imposed on the investment and borrowing powers set out in the Trust Deed.

For and on behalf of the Trustee
HSBC Institutional Trust Services (Singapore) Limited

SCHRODER ASIAN EQUITY YIELD FUND

(a sub-fund of Schroder International Choice Portfolio)

Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998

STATEMENT BY THE MANAGER

For the financial year ended 31 December 2018

In the opinion of Schroder Investment Management (Singapore) Ltd, the accompanying financial statements set out on pages 8 to 33, comprising the Statement of Total Return, Statement of Financial Position, Statement of Movements of Unitholders' Funds, Statement of Portfolio and Notes to the Financial Statements are drawn up so as to present fairly, in all material respects, the financial position and portfolio holdings of Schroder Asian Equity Yield Fund (the "Fund") as at 31 December 2018, and the financial performance and movements of unitholders' funds for the financial year then ended in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants. At the date of this statement, there are reasonable grounds to believe that the Fund will be able to meet its financial obligations as and when they materialise.

For and on behalf of Schroder Investment Management (Singapore) Ltd

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
SCHRODER ASIAN EQUITY YIELD FUND
(a sub-fund of Schroder International Choice Portfolio)
Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998**

Our Opinion

In our opinion, the accompanying financial statements of Schroder Asian Equity Yield Fund (the "Fund") are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants, so as to present fairly, in all material respects, the financial position and portfolio holdings of the Fund as at 31 December 2018, and of the financial performance and movements of unitholders' funds for the financial year ended on that date.

What we have audited

The financial statements of the Fund comprise:

- the Statement of Total Return for the financial year ended 31 December 2018;
- the Statement of Financial Position as at 31 December 2018;
- the Statement of Movements of Unitholders' Funds for the financial year ended 31 December 2018;
- the Statement of Portfolio as at 31 December 2018; and
- the notes to the financial statements, including a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

We are independent of the Fund in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

Other Information

The Fund's Manager (the "Manager") is responsible for the other information. The other information comprises all sections of the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
SCHRODER ASIAN EQUITY YIELD FUND
(a sub-fund of Schroder International Choice Portfolio)
Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998**

Responsibilities of the Manager for the Financial Statements

The Manager is responsible for the preparation and fair presentation of these financial statements in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" issued by the Institute of Singapore Chartered Accountants and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to terminate the Fund or to cease the Fund's operations, or has no realistic alternative but to do so.

The Manager's responsibilities include overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF
SCHRODER ASIAN EQUITY YIELD FUND
(a sub-fund of Schroder International Choice Portfolio)
Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998**

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 March 2019

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2018*

	Notes	2018 \$	2017 \$
Income			
Dividends:			
Singapore		1,386,637	953,793
Foreign		12,975,000	12,381,588
Interest on deposits with banks	9	1,078	208
Sundry income		104,757	121
		14,467,472	13,335,710
Less : Expenses			
Management fees	9	5,612,100	5,703,899
Trustee fees	9	127,242	129,078
Valuation fees	9	90,992	92,687
Custodian fees	9	93,569	99,963
Registration fees	9	370,399	376,457
Audit fees		18,987	874
Transaction costs		382,668	420,542
Others		139,565	152,257
		6,835,522	6,975,757
Net income		7,631,950	6,359,953
Net gains or losses on value of investments and financial derivatives			
Net (losses)/gains on investments		(51,087,460)	59,611,658
Net losses on spot foreign exchange contracts		(145,099)	(286,101)
Net foreign exchange (losses)/gains		(142,420)	114,599
		(51,374,979)	59,440,156
Total (deficit)/return for the year before income tax		(43,743,029)	65,800,109
Less : Income tax	3	(1,163,116)	(1,133,037)
Total (deficit)/return for the year		(44,906,145)	64,667,072

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***STATEMENT OF FINANCIAL POSITION***As at 31 December 2018*

	Notes	2018 \$	2017 \$
ASSETS			
Portfolio of investments		333,604,129	385,801,671
Bank balances	9	2,230,602	5,176,122
Receivables	5	430,914	1,658,496
Total assets		336,265,645	392,636,289
LIABILITIES			
Payables	6	5,279,749	6,654,413
Total liabilities		5,279,749	6,654,413
EQUITY			
Net assets attributable to unitholders	7	330,985,896	385,981,876

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2018*

	Notes	2018 \$	2017 \$
Net assets attributable to unitholders at the beginning of the financial year		385,981,876	331,235,290
Operations			
Change in net assets attributable to unitholders resulting from operations		(44,906,145)	64,667,072
Unitholders' contributions/(withdrawals)			
Creation of units		80,644,206	115,228,846
Cancellation of units		(76,189,381)	(109,754,513)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		4,454,825	5,474,333
Distributions	4	(14,544,660)	(15,394,819)
Total (decrease)/increase in net assets attributable to unitholders		(54,995,980)	54,746,586
Net assets attributable to unitholders at the end of the financial year	7	330,985,896	385,981,876

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***STATEMENT OF PORTFOLIO***As at 31 December 2018***Primary**

	Holdings at 31 Dec 2018	Fair value at 31 Dec 2018 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2018 %
By geography			
Quoted			
Equities			
AUSTRALIA			
ASX Ltd	154,416	8,881,321	2.68
Australia & New Zealand Banking Group Ltd	397,420	9,327,703	2.82
BHP Billiton Ltd	211,235	6,938,112	2.10
Brambles Ltd	771,655	7,515,497	2.27
Crown Resorts Ltd	1,002,909	11,413,392	3.44
CSL Ltd	20,619	3,663,391	1.11
DuluxGroup Ltd	822,513	5,177,441	1.56
Incitec Pivot Ltd	2,702,968	8,507,134	2.57
Medibank Private Ltd	4,134,439	10,195,728	3.08
Tabcorp Hldg Ltd	2,730,723	11,240,961	3.40
		82,860,680	25.03
CHINA			
China Construction Bank Corp H Shares	12,108,000	13,616,800	4.11
China Pacific Insurance Group Co Ltd H Shares	1,413,000	6,235,772	1.88
China Petroleum & Chemical Corp H Shares	6,557,400	6,381,365	1.93
China Yangtze Power Co Ltd A Shares	3,178,376	10,013,197	3.03
Midea Group Co Ltd A Shares	596,553	4,362,358	1.32
New Oriental Education & Technology Group Inc ADR	41,427	3,094,847	0.93
		43,704,339	13.20

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***STATEMENT OF PORTFOLIO***As at 31 December 2018***Primary** (continued)

	Holdings at 31 Dec 2018	Fair value at 31 Dec 2018 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2018 %
By geography			
Quoted			
Equities			
HONG KONG			
AIA Group Ltd	835,400	9,453,181	2.86
BOC Hong Kong (Hldg) Ltd	987,000	5,000,118	1.51
Dah Sing Banking Group Ltd	3,028,000	7,285,075	2.20
Galaxy Entertainment Group Ltd	758,000	6,571,563	1.98
Hang Lung Properties Ltd	2,497,000	6,485,710	1.96
Hongkong Land Hldg Ltd	955,400	8,203,924	2.48
Jardine Strategic Hldg Ltd	273,200	13,669,761	4.13
Pacific Textiles Hldg Ltd	2,742,000	3,322,361	1.00
Sands China Ltd	719,200	4,294,513	1.30
Swire Properties Ltd	3,430,000	16,420,900	4.96
		80,707,106	24.38
INDIA			
HDFC Bank Ltd	82,226	3,405,965	1.03
Larsen & Toubro Ltd	274,272	7,697,532	2.32
		11,103,497	3.35
PHILIPPINES			
Globe Telecom Inc	53,565	2,637,963	0.80
SINGAPORE			
Mapletree Commercial Trust	7,051,500	11,634,975	3.51
United Overseas Bank Ltd	380,600	9,351,342	2.83
Venture Corp Ltd	487,600	6,802,020	2.06
		27,788,337	8.40

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***STATEMENT OF PORTFOLIO***As at 31 December 2018***Primary** (continued)

	Holdings at 31 Dec 2018	Fair value at 31 Dec 2018 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2018 %
By geography			
Quoted			
Equities			
SOUTH KOREA			
Hyundai Motor Co	90,252	8,489,009	2.56
Kolon Ind Inc	42,792	2,995,206	0.90
NCSOFT Corp	10,386	5,918,470	1.79
Samsung Electronics Co Ltd	354,500	13,748,947	4.16
SK Innovation Co Ltd	24,382	5,346,176	1.62
		36,497,808	11.03
TAIWAN			
Getac Technology Corp	4,519,000	8,055,690	2.43
Hon Hai Precision Ind Co Ltd	1,840,384	5,777,980	1.75
Mega Financial Hldg Co Ltd	5,197,087	5,980,420	1.81
Novatek Microelectronics Corp	617,000	3,885,151	1.17
Taiwan Semiconductor Manufacturing Co Ltd	634,000	6,339,721	1.92
Voltronic Power Technology Corp	272,276	6,483,627	1.96
		36,522,589	11.04
UNITED KINGDOM			
HSBC Hldg PLC	1,044,400	11,781,810	3.56
Portfolio of investments		333,604,129	100.79
Other net liabilities		(2,618,233)	(0.79)
Net assets attributable to unitholders		330,985,896	100.00

Legend :

ADR : American Depository Receipts

SCHRODER ASIAN EQUITY YIELD FUND**(a sub-fund of Schroder International Choice Portfolio)**

Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998

STATEMENT OF PORTFOLIO

As at 31 December 2018

Primary (continued)

	Percentage of total net assets attributable to unitholders at 31 Dec 2018 %	Percentage of total net assets attributable to unitholders at 31 Dec 2017 %
By geography (summary)		
Quoted		
Australia	25.03	24.69
China	13.20	13.98
Hong Kong	24.38	19.16
India	3.35	0.88
Philippines	0.80	1.33
Singapore	8.40	6.34
South Korea	11.03	15.59
Taiwan	11.04	14.77
United Kingdom	3.56	3.21
Portfolio of investments	100.79	99.95
Other net (liabilities)/assets	(0.79)	0.05
Net assets attributable to unitholders	100.00	100.00

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***STATEMENT OF PORTFOLIO***As at 31 December 2018***Secondary**

	Fair value at 31 Dec 2018 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2018 %	Percentage of total net assets attributable to unitholders at 31 Dec 2017 %
By industry			
Automobiles & Components	8,489,009	2.56	3.87
Bank	59,768,813	18.06	11.16
Chemicals	16,679,781	5.04	7.44
Construction & Engineering	7,697,532	2.32	-
Consumer Durables	7,684,719	2.32	4.25
Containers & Packaging	7,515,497	2.27	2.10
Diversified Operations	13,669,761	4.13	3.31
Education Services	3,094,847	0.93	2.46
Finance	14,861,741	4.49	4.31
Health Care/Pharmaceuticals	3,663,391	1.11	2.25
Hotel & Leisure	33,520,429	10.13	6.27
Insurance	25,884,681	7.82	6.40
Mining	6,938,112	2.10	2.53
Oil & Gas	11,727,541	3.54	4.40
Real Estate	42,745,509	12.91	10.02
Semiconductor	10,224,872	3.09	2.97
Software	5,918,470	1.79	2.63
Technology Hardware & Equipment	40,868,264	12.35	15.00
Telecommunications	2,637,963	0.80	4.59
Transportation	-	-	1.36
Utilities	10,013,197	3.03	2.63
Portfolio of investments	333,604,129	100.79	99.95
Other net (liabilities)/assets	(2,618,233)	(0.79)	0.05
Net assets attributable to unitholders	330,985,896	100.00	100.00

SCHRODER ASIAN EQUITY YIELD FUND

(a sub-fund of Schroder International Choice Portfolio)

Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Schroder Asian Equity Yield Fund (the “Fund”) is a sub-fund of Schroder International Choice Portfolio, a Singapore umbrella fund constituted by a Deed of Trust dated 25 May 1998 (and as amended, restated and supplemented from time to time) (thereafter referred to as “Trust Deed”). The Trust Deed is governed in accordance with the laws of the Republic of Singapore. The Manager of the Fund is Schroder Investment Management (Singapore) Ltd and the Trustee is HSBC Institutional Trust Services (Singapore) Limited.

The Fund, which was launched on 11 February 2005, aims to achieve capital growth and income through investment in equity and equity related securities of Asian ex Japan companies which offer attractive yields and sustainable dividend payments.

The Fund is single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of its underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switching in and out of the Fund. This is known as “dilution”. In order to counter this and to protect unitholders’ interests, with effect from 1 October 2018, the Manager will apply “dilution adjustment” as part of its daily valuation policy. This will mean that in certain circumstances the Manager (if in its opinion in good faith it is in the interest of unitholders to do so) will make adjustments in the calculations of the net asset value per unit, to counter the impact of dealing and other costs on occasions when these are deemed to be significant.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switching and redemptions received by the Fund for each dealing day. The Manager therefore reserves the right to make a dilution adjustment where the Fund experiences a net cash movement which exceeds a threshold of the previous dealing day’s total net asset value.

Any dilution adjustment as at the last dealing day of the year will be disclosed under units in issue.

SCHRODER ASIAN EQUITY YIELD FUND

(a sub-fund of Schroder International Choice Portfolio)

Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Unit Trusts" ("RAP 7") issued by the Institute of Singapore Chartered Accountants.

(b) Recognition of income

Dividend income is recorded gross in the Statement of Total Return in the accounting year in which a dividend is declared payable by the investee company. Interest income on deposits is recognised on a time proportion basis using the effective interest method.

(c) Investments

Investments are classified as financial assets held at fair value through profit or loss. Purchases of investments are recognised on trade date. Investments are recorded at fair value on initial recognition, and subsequently carried at fair value. The fair value of financial assets and liabilities traded in active markets is based on last traded market prices for equities on the reporting date.

Investments are derecognised on the trade date of disposal. Net gains or losses on investments are taken up in the Statement of Total Return.

(d) Foreign currency translation

The Fund may hold assets and liabilities denominated in currencies other than Singapore dollars. The financial statements are presented in Singapore dollars, which is the Fund's functional and presentation currency.

Foreign currency transactions during the year are translated into Singapore dollars at the rates of exchange ruling on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the reporting date. Foreign exchange gains or losses resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of foreign currency monetary assets and liabilities, are taken to the Statement of Total Return.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

2. Significant accounting policies (continued)

(e) Financial derivatives

Financial derivatives are recognised at fair value on the date in which a financial derivative contract is entered into and are subsequently re-measured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions. A financial derivative is carried as an asset when its fair value is positive, and as a liability when its fair value is negative.

Net gains or losses on financial derivatives held for protection or enhancement of investments are taken to the Statement of Total Return as gains or losses on financial derivatives.

(f) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

(g) Distribution

The Manager shall have the absolute discretion to determine whether a distribution is to be made. In the event that the Manager determines that a distribution will be made, an amount required to effect such a distribution shall be transferred to a distribution account for payment on distribution date. This amount shall not be treated as part of the property of the Fund.

Distribution is accrued for at the reporting date if the necessary approvals have been obtained and a legal or constructive obligation has been created.

SCHRODER ASIAN EQUITY YIELD FUND

(a sub-fund of Schroder International Choice Portfolio)

Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

3. Income tax

The Fund has been approved by the Monetary Authority of Singapore under the Enhanced-Tier Fund Tax Incentive Scheme (Section 13X of the Income Tax Act) and is included in the Central Provident Fund Investment Scheme. Subject to certain conditions being met on an annual basis, the Fund will be granted tax exemption on the specified income in respect of any designated investment for the life of the Fund. The tax exemption does not apply in the year when the relevant conditions are not met. The terms “specified income” and “designated investments” are defined in the relevant Income Tax legislations and MAS Circulars.

	2018 \$	2017 \$
Singapore income tax	92,088	40,071
Foreign income tax	1,071,028	1,092,966
	<u>1,163,116</u>	<u>1,133,037</u>

The Singapore income tax represents tax deducted at source for Singapore sourced dividends. The foreign income tax represents tax deducted at source on dividends derived from outside Singapore and received in Singapore.

4. Distributions

The Fund distributed a total of \$14,544,660 (2017: \$15,394,819) to unitholders on the register during the year as disclosed below.

2018 Class A

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
31 Jan 2018	14 Feb 2018	0.2953	937,116
28 Feb 2018	14 Mar 2018	0.2860	909,567
29 Mar 2018	17 Apr 2018	0.2790	890,882
30 Apr 2018	15 May 2018	0.2835	912,038
31 May 2018	14 Jun 2018	0.2828	914,462
29 Jun 2018	17 Jul 2018	0.2763	894,573
31 Jul 2018	15 Aug 2018	0.2813	912,754
31 Aug 2018	14 Sep 2018	0.2783	898,448
28 Sep 2018	16 Oct 2018	0.2753	890,680
31 Oct 2018	15 Nov 2018	0.2538	816,599
30 Nov 2018	14 Dec 2018	0.2565	822,320
31 Dec 2018	17 Jan 2019	1.2388	3,972,007
			<u>13,771,446</u>

SCHRODER ASIAN EQUITY YIELD FUND*(a sub-fund of Schroder International Choice Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 25 May 1998***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2018***4. Distributions (continued)****Class O**

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
29 Mar 2018	17 Apr 2018	0.8100	161,101
29 Jun 2018	17 Jul 2018	0.8018	156,106
28 Sep 2018	16 Oct 2018	0.7995	150,551
31 Dec 2018	17 Jan 2019	1.6783	305,456
			<u>773,214</u>

2017**Class A**

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
31 Jan 2017	14 Feb 2017	0.2615	794,823
28 Feb 2017	14 Mar 2017	0.2630	905,938
31 Mar 2017	19 Apr 2017	0.2723	920,590
28 Apr 2017	16 May 2017	0.2765	922,685
31 May 2017	14 Jun 2017	0.2755	907,276
30 Jun 2017	18 Jul 2017	0.2768	900,728
31 Jul 2017	15 Aug 2017	0.2795	901,894
31 Aug 2017	15 Sep 2017	0.2828	901,626
29 Sep 2017	17 Oct 2017	0.2818	893,529
31 Oct 2017	14 Nov 2017	0.2905	917,187
30 Nov 2017	14 Dec 2017	0.2898	908,643
29 Dec 2017	17 Jan 2018	1.4600	4,598,918
			<u>14,473,837</u>

SCHRODER ASIAN EQUITY YIELD FUND**(a sub-fund of Schroder International Choice Portfolio)**

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

4. Distributions (continued)**Class O**

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
31 Mar 2017	19 Apr 2017	0.7905	173,993
30 Jun 2017	18 Jul 2017	0.8033	171,632
29 Sep 2017	17 Oct 2017	0.8175	170,827
29 Dec 2017	17 Jan 2018	1.9775	404,530
			<u>920,982</u>

5. Receivables

	2018 \$	2017 \$
Amount receivable for creation of units	246,102	1,459,685
Dividend receivable	-	198,789
Refund of GST	184,761	-
Other	51	22
	<u>430,914</u>	<u>1,658,496</u>

6. Payables

	2018 \$	2017 \$
Amount payable for cancellation of units	493,090	1,110,778
Amount payable for dividend distribution	4,277,463	5,003,448
Accrued management fees	433,688	490,663
Accrued trustee fees	9,948	11,087
Accrued valuation fees	6,637	5,800
Other accrued expenses	58,923	32,637
	<u>5,279,749</u>	<u>6,654,413</u>

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NOTES TO THE FINANCIAL STATEMENTS
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7. Units in issue

Class A	2018 Units	2017 Units
At the beginning of the financial year	314,994,365	306,643,898
Created	70,958,782	104,643,951
Cancelled	(65,319,692)	(96,293,484)
At the end of the financial year	320,633,455	314,994,365
	\$	\$
Net assets attributable to unitholders	313,835,271	363,264,926
Net assets attributable to unitholders per unit	0.98	1.15
Class O	2018 Units	2017 Units
At the beginning of the financial year	20,456,645	22,347,865
Created	1,216,643	1,176,395
Cancelled	(3,472,978)	(3,067,615)
At the end of the financial year	18,200,310	20,456,645
	\$	\$
Net assets attributable to unitholders	17,150,625	22,716,950
Net assets attributable to unitholders per unit	0.94	1.11

The Fund currently offers 2 Classes of units, namely Class A units and Class O units. Both Classes of units constitute the Fund and have different features. The key difference between the Classes is the distribution policy applicable to each Class.

Net assets attributable to unitholders (“NAV”) is apportioned between both Classes of units based on the proportion of NAV of each Class, which is determined by computing the equivalent number of units of Class A and Class O units in issue. Any expense, income and/or gain which is attributable to a particular Class shall be deducted from or added to the net assets attributable to that Class.

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7. Units in issue (continued)

A reconciliation of the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming units at the financial year end date is presented below:

Class A	2018	2017
	\$	\$
Net assets attributable to unitholders per unit per the financial statements	0.98	1.15
Effect for movement in the net asset value between the last dealing date and the financial year end date [^]	-	*
Effect of distribution per unit	0.01	0.02
Net assets attributable to unitholders per unit for issuing/redeeming of units	0.99	1.17
Class O	2018	2017
	\$	\$
Net assets attributable to unitholders per unit per the financial statements	0.94	1.11
Effect for movement in the net asset value between the last dealing date and the financial year end date [^]	-	*
Effect of distribution per unit	0.02	0.02
Net assets attributable to unitholders per unit for issuing/redeeming of units	0.96	1.13

* Less than 0.01

[^] The net asset value for the purposes of processing unit subscription and redemption was established in accordance with the methodology indicated in the Fund's Prospectus. This item reflects the movement in the net asset value per unit between the last dealing date and the financial year end date of 2017. There is no such movement for year 2018.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

8. Financial risk management

The Fund's activities expose it to a variety of risks including but not limited to market risk (including price risk, interest rate risk and currency risk), liquidity risk and credit risk.

The overall responsibility for the management of the Fund's financial risks lies with the Manager whom, among other things, will regularly assess the economic condition, monitor changes in market outlook and take appropriate measures accordingly to manage the Fund's exposure to these risks. The Manager may from time to time employ derivatives including but not limited to options, futures and currency forwards, subject to the terms of the Trust Deed, for the purpose of efficient portfolio management.

The data used and assumptions made in the sensitivity analyses below may not reflect actual market conditions, nor is it representative of any potential future market conditions. The sensitivity analyses can be complex and the disclosures made here are not exhaustive. The market exposures change regularly and the assumptions made below may not be representative of the risk taken throughout the year. The sensitivity analyses below should not be solely relied upon by investors in their investment decision making.

(a) Market risk

Market risk is the risk of potential adverse changes to the value of financial instruments because of changes in market conditions such as interest rate and currency rate movements and volatility in security prices.

The Fund's investments are monitored by the Manager on a regular basis so as to assess changes in fundamentals and valuation. Although the Manager conducts detailed analysis before making investment decisions, events beyond reasonable control of the Manager could affect the prices of the underlying investments and hence the net asset value of the Fund. The Manager may also select other financial instruments within the investment guidelines as set out in the Fund's Trust Deed. Guidelines are set to reduce the Fund's risk exposure to market volatility through diversifying the portfolio by investing across various geographies and industry sectors.

The reference benchmark against which the performance of the Fund may be measured is the MSCI All Country Pacific Free ex Japan Index.

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NOTES TO THE FINANCIAL STATEMENTS
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8. Financial risk management (continued)

(a) Market risk (continued)

At reporting date, the Fund's assets principally consist of quoted equities and bank balances. The Fund's exposure to market risk are discussed below:

(i) Price risk

The table below summarises the potential impact of increases/decreases in the value of the Fund's investments in equities on the Fund's net assets attributable to unitholders at reporting date. The analysis is based on the assumption that the benchmark increases/decreases by a reasonable possible shift with all other variables held constant, and that the fair value of the Fund's investments moves according to their historical correlation with the benchmark. This represents management's best estimate of a reasonable possible shift in the benchmark, having regard to the historical movement of the benchmark.

2018		2017	
Reasonable possible change %	Impact on net assets attributable to unitholders \$	Reasonable possible change %	Impact on net assets attributable to unitholders \$
6	14,956,384	7	18,747,375

The disclosure above is shown in absolute terms, changes and impacts could be positive or negative.

(ii) Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing; as a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates. No interest rate sensitivity analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 31 December 2018

8. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk

The Fund may hold monetary and non-monetary assets and liabilities denominated in currencies other than Singapore dollars. Consequently, the Fund may be exposed to currency risk since the value of these assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Manager may manage the currency risks by hedging some or all of the currency risk exposure through derivatives such as forward currency contracts, currency futures, currency swap agreements or currency options.

The table below summarises the Fund's exposure to foreign currencies from its monetary and non-monetary assets and liabilities:

	As at 31 December 2018			
	AUD	HKD	KRW	SGD
	\$	\$	\$	\$
Assets				
Portfolio of investments	82,860,680	96,849,168	36,497,808	27,788,337
Bank balances	7	-	17	1,613,971
Receivables	-	-	-	430,914
Total assets	82,860,687	96,849,168	36,497,825	29,833,222
Liabilities				
Payables	-	-	-	5,279,504
Total liabilities	-	-	-	5,279,504
Currency exposure	82,860,687	96,849,168	36,497,825	24,553,718

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SCHRODER ASIAN EQUITY YIELD FUND
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NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 31 December 2018

8. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

(continued from previous page)

	As at 31 December 2018			
	TWD	USD	Others*	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	36,522,589	24,968,532	28,117,015	333,604,129
Bank balances	-	682	615,925	2,230,602
Receivables	-	-	-	430,914
Total assets	36,522,589	24,969,214	28,732,940	336,265,645

Liabilities

Payables	-	245	-	5,279,749
Total liabilities	-	245	-	5,279,749

Currency exposure	36,522,589	24,968,969	28,732,940
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	As at 31 December 2017			
	AUD	HKD	KRW	SGD
	\$	\$	\$	\$
Assets				
Portfolio of investments	95,293,229	88,666,774	60,166,979	24,481,570
Bank balances	4	-	19	5,175,455
Receivables	-	198,789	-	1,459,707
Total assets	95,293,233	88,865,563	60,166,998	31,116,732

Liabilities

Payables	-	-	-	6,654,159
Total liabilities	-	-	-	6,654,159

Currency exposure	95,293,233	88,865,563	60,166,998	24,462,573
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NOTES TO THE FINANCIAL STATEMENTS
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8. Financial risk management (continued)

(a) Market risk (continued)

(iii) Currency risk (continued)

(continued from previous page)

	As at 31 December 2017			
	TWD	USD	Others*	Total
	\$	\$	\$	\$
Assets				
Portfolio of investments	57,014,848	31,245,115	28,933,156	385,801,671
Bank balances	-	635	9	5,176,122
Receivables	-	-	-	1,658,496
Total assets	57,014,848	31,245,750	28,933,165	392,636,289
Liabilities				
Payables	-	254	-	6,654,413
Total liabilities	-	254	-	6,654,413
Currency exposure	57,014,848	31,245,496	28,933,165	

* Foreign currencies to which the Fund does not have a significant exposure are included within 'Others'.

Portfolio of investments, which is the most significant item on the Statement of Portfolio, is exposed to currency risk and price risk. The price risk sensitivity analysis in note 8(a)(i) includes the impact of currency risk on portfolio of investments.

The Fund's net financial assets comprise mainly portfolio of investments which are non-monetary financial assets, hence a separate currency risk sensitivity analysis has not been performed on the remaining financial assets.

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 31 December 2018

8. Financial risk management (continued)

(b) Liquidity risk

The Fund's liquidity risk arises mainly from redemptions of units. The Fund invests the majority of its assets in investments that are traded in active markets and/or in investments where the issuer stands ready to unwind. Investments in unquoted shares (excluding IPO shares which have been approved for listing) are allowed within the 5% deviation limit.

The Fund has the ability to borrow in the short-term for the purposes of meeting redemptions and short-term bridging requirements. Dedicated personnel are responsible for monitoring the Fund's liquidity position on a daily basis to ensure that sufficient cash resources and liquid assets are available to meet liabilities as and when they fall due.

Units are redeemable at the holder's option. However, the Manager also has the option to limit redemption requests to 10% of the total number of units then in issue on each dealing day, with the approval of the Trustee.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying values as the impact of discounting is not significant.

	2018 Less than 3 months \$	2017 Less than 3 months \$
Payables	5,279,749	6,654,413

(c) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as issuers, brokers, custodians and banks.

Impairment allowances are made for losses that have been incurred by the reporting date, if any. The Manager has in place procedures for proper credit screening and monitoring of credit risk, including the use of approved counterparties with credit limits set and subject to specified financial strength criteria. Exposure against all counterparties is then monitored on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 31 December 2018

8. Financial risk management (continued)

(c) Credit risk (continued)

All transactions in quoted securities are settled/paid upon delivery using approved brokers. The risk of default is deemed to be low, as delivery of securities is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund's exposure to credit risk arises mainly from its bank balances and assets held with custodians and counterparties. The table below summarises the credit rating of banks, custodians and counterparties with whom the Fund's assets are held as at reporting date.

As at 31 December 2018	Credit rating	Source of credit rating
<u>Bank & Custodian</u>		
The Hongkong and Shanghai Banking Corp Ltd	a1	Moody's
<u>Counterparty</u>		
Deutsche Bank AG	ba1	Moody's
<hr/>		
As at 31 December 2017	Credit rating	Source of credit rating
<u>Bank & Custodian</u>		
The Hongkong and Shanghai Banking Corp Ltd	a1	Moody's
<u>Counterparty</u>		
Deutsche Bank AG	ba1	Moody's

The credit ratings shown are the Baseline Credit Assessment ratings as published by Moody's.

As at reporting date, the Fund holds depository receipts or shares issued by credit-rated counterparties, the values of which are referenced to underlying quoted securities. The market value of these depository receipts is disclosed in the Statement of Portfolio.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

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8. Financial risk management (continued)

(d) Fair value estimation (continued)

Investments in listed equities whose values are based on quoted market prices in active markets are classified within level 1. The quoted price for these financial instruments is not adjusted.

There are no financial instruments classified within level 2 and level 3.

Except for bank balances which are classified as level 1, the Fund's assets and liabilities not measured at fair value at reporting date have been classified as level 2. The carrying amounts of these assets and liabilities approximate their fair values as at the reporting date.

(e) Offsetting financial assets and financial liabilities

There were no outstanding financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements as at reporting date.

(f) Capital management

The Fund's capital is represented by the net assets attributable to unitholders. The Fund strives to invest the subscriptions of units in investments that meet the Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

9. Related party disclosure

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Registrar for the Fund is Schroder Investment Management (Europe) SA (formerly known as Schroder Investment Management (Luxembourg) SA), a related party of the Manager. The Trustee is HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of the HSBC Group. The management fees paid to the Manager and registration fees paid to the Registrar; trustee fees, valuation fees and custodian fees charged by, and interest earned on deposits with, the HSBC Group are shown in the Statement of Total Return.

As at reporting date, the Fund maintained with the HSBC Group, the following bank balances:

	2018 \$	2017 \$
Current accounts	<u>2,230,602</u>	<u>5,176,122</u>

SCHRODER ASIAN EQUITY YIELD FUND

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2018

10. Financial ratios

	2018		2017	
	Class A	Class O	Class A	Class O
Expense ratio ¹	1.72%	1.72%	1.72%	1.72%
	Fund		Fund	
Turnover ratio ²	26.05%		28.49%	

¹ The expense ratio has been computed based on the guidelines laid down by the Investment Management Association of Singapore ("IMAS"). The calculation of the expense ratio was based on total operating expenses divided by the average net asset values for each Class for the year. The total operating expenses do not include brokerage and other transaction costs, performance fee, interest expense, distribution paid out to unitholders, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received. Expenses which are common to all Classes are apportioned based on the proportion of NAV of each Class. The Fund does not pay any performance fee. The respective values used in the calculation of the expense ratio are disclosed below. The average net asset values are based on the daily balances. The Fund invests in real estate investment trusts (REITs), for which the expense ratios are not available or published. The expense ratio of the Fund does not include the expense ratios of those underlying REITs. During the financial year ended 31 December 2017, the Manager has at its own discretion, chosen to absorb certain expenses of the Fund.

Expense ratio calculations	2018		2017	
	Class A	Class O	Class A	Class O
	\$	\$	\$	\$
Total operating expenses	6,096,940	355,914	6,158,596	396,619
Average net asset value	353,506,912	20,636,256	357,138,608	23,000,034

² The portfolio turnover ratio is calculated in accordance with the formula stated in the Code on Collective Investment Schemes. The calculation of the portfolio turnover ratio was based on the lower value of purchases or sales of the underlying investments divided by the average daily net asset value.

Turnover ratio calculations	2018		2017	
	Fund	Fund	Fund	Fund
	\$	\$	\$	\$
Lower of purchases or sales	97,478,262	(purchases)	108,288,711	(purchases)
Average net asset value	374,143,168		380,138,642	

REPORT TO UNITHOLDERS

31 December 2018

The following is a report on the Schroder Asian Equity Yield Fund (the "Fund"):

1. Top 10 holdings of the Fund as at 31 December 2018:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Swire Properties Ltd	16,420,900	4.96
Samsung Electronics Co Ltd	13,748,947	4.16
Jardine Strategic Hldg Ltd	13,669,761	4.13
China Construction Bank Corp H Shares	13,616,800	4.11
HSBC Hldg PLC	11,781,810	3.56
Mapletree Commercial Trust	11,634,975	3.51
Crown Resorts Ltd	11,413,392	3.44
Tabcorp Hldg Ltd	11,240,961	3.40
Medibank Private Ltd	10,195,728	3.08
China Yangtze Power Co Ltd A Shares	10,013,197	3.03

Top 10 holdings of the Fund as at 31 December 2017:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Samsung Electronics Co Ltd	17,493,413	4.53
Swire Properties Ltd	14,776,594	3.83
Hon Hai Precision Ind Co Ltd	13,507,592	3.50
Medibank Private Ltd	13,358,135	3.46
China Construction Bank Corp H Shares	13,087,840	3.39
Jardine Strategic Hldg Ltd	12,763,494	3.31
Crown Resorts Ltd	12,653,569	3.28
HSBC Hldg PLC	12,377,546	3.21
Australia & New Zealand Banking Group Ltd	11,938,864	3.09
Kolon Ind Inc	11,604,429	3.01

The Fund was not invested in other unit trusts, mutual funds or collective investment schemes as at 31 December 2018 other than as stated in the Statement of Portfolio. For the full composition of investments of the Fund as at 31 December 2018, refer to the Statement of Portfolio on pages 11 to 15.

REPORT TO UNITHOLDERS

31 December 2018

2. The Fund did not have any exposure to financial derivatives as at 31 December 2018.
3. The Fund did not have any borrowings as at 31 December 2018.
4. The amount of subscriptions and redemptions in the period 1 January 2018 to 31 December 2018 were as follows:

	\$
Subscriptions	80,644,206
Redemptions	76,189,381

5. Expense Ratio

Class A

1 January 2018 to 31 December 2018	1.72%
1 January 2017 to 31 December 2017	1.72%

Class O

1 January 2018 to 31 December 2018	1.72%
1 January 2017 to 31 December 2017	1.72%

6. Turnover of Portfolio

1 January 2018 to 31 December 2018	26.05%
1 January 2017 to 31 December 2017	28.49%

7. Soft dollar commissions/arrangements:

In the management of the Fund, the Manager may accept soft dollar commissions from, or enter into soft dollar arrangements with, stockbrokers who execute trades on behalf of the Fund and the soft dollars received are restricted to the following kinds of services:

- (i) research, analysis or price information;
- (ii) performance measurement;
- (iii) portfolio valuations; and
- (iv) administration services.

The Manager may not receive or enter into soft dollar commissions or arrangements unless (a) such soft dollar commissions or arrangements shall reasonably assist the Manager in their management of the Fund, (b) best execution is carried out for the transactions, and (c) that no unnecessary trades are entered into in order to qualify for such soft dollar commissions or arrangements. The Manager shall not receive goods and services such as travel, accommodation and entertainment.

REPORT TO UNITHOLDERS

31 December 2018

8. For related party transactions, refer to note 9 in the Notes to the Financial Statements.

9. Performance of Fund for periods ended 31 December 2018

	3 mths	6 mths	1 yr	3 yrs*	5 yrs*	10 yrs*	Since Launch**
Class A	-9.3%	-9.0%	-11.7%	4.1%	4.3%	9.0%	4.5%
Benchmark**	-10.1%	-11.1%	-12.8%	6.5%	4.5%	6.1%	5.9%
Class O	-9.4%	-8.9%	-11.7%	12.7%	23.1%	-	19.1%
Benchmark**	-10.1%	-11.1%	-12.8%	20.9%	24.5%	-	26.9%

* Returns of more than 1 year are annualised

Since launch figures from 11 February 2005 (Class A) and 1 March 2013 (Class O)

** Benchmark: The Fund is not benchmark constrained, but for reference purposes presents its performance against the MSCI AC Pacific Free ex Japan Net TR.

Source: Schroders, S\$, bid to bid, net income reinvested.

