

**Schroders**

**SCHRODER SINGAPORE TRUST**

**Annual Report & Financial Statements**

**December 2023**



## **SCHRODER SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

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### **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  
10 Marina Boulevard  
Marina Bay Financial Centre Tower 2  
#48-01  
Singapore 018983  
Company Registration No. 194900022R

### **Auditor**

KPMG LLP  
12 Marina View, #15-01  
Asia Square Tower 2  
Singapore 018961

### **Solicitor to the Manager**

Clifford Chance Pte. Ltd.  
12 Marina Boulevard  
25<sup>th</sup> Floor, Tower 3 Marina Bay Financial Centre  
Singapore 018982

### **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.00006.SF.702

**COMMENTARY**

It has been a roller coaster ride in terms of markets expectations for where forward interest rates should be. Despite the Fed holding rates stable at 5.5% in the December 2023 Federal Open Market Committee meeting, the revised guidance was for a higher possibility of rate cuts going into 2024, which indicates that we are likely approaching the end of this higher interest rate environment.

For reference, whilst the Fed dot plot projection points towards interest rates to decline from the current 5.50% to approximately 4.75% by December 2024 (i.e. approximately 75bps of rate cuts over 2024), the interest rate markets have moved sharply ahead, and is now pricing in a year-end rate of 3.75% for 2024 (approximately 175bps over 2024).

Chances are that actual rate declines will likely fall somewhere in between these two projections. Nevertheless, this still points towards a lower interest rate scenario as we progress through the year. Having said that, we are still coming off record-high interest rate levels. Hence, the refinancing of most debt expiring this year for corporates will continue to be at higher levels as compared to their initial rates.

Higher interest rates have continued to impact bank loans in Singapore, with overall bank loans declining by 3% YTD (as of November 2023). While this was partly due to the higher cost of debt, the gradual economic slowdown post the initial re-opening euphoria was a contributing factor as well. Bank earnings have benefitted over the past two years from the expansion of net interest margins (NIMs) as rates were rising. Conversely, with rates likely to decline, expectations are for some downward pressure for NIMs, which in turn would apply some downward pressure on earnings (albeit with a slight lag to account for loan-repricing). The silver lining here is that loan repayments remain largely on track, with no major spike in credit costs (i.e. defaults/non-payments). We expect that banks with more diversified business segments and more scope for capital management to perform better in this environment.

For REITs, the aforementioned pivot in interest rate expectations has driven an initially rally across the sector, as expectations are now for gradually declining costs of debt as well as a tailwind for asset values, which should benefit their distributable income and net asset value respectively. That said, there remains continued pressure on near-term distribution as debt renewals will still be at higher rates as compared to expiring debt, though that should taper off as we move into 2025 if the Fed does deliver on the projected rate cuts. We will continue to monitor this space and pick up good quality companies at the margin as we approach the tail-end of this rate hike cycle.

One wildcard here is whether there could be another inflationary surge coming from the rise in shipping costs due to recent events in the Red Sea. The attacks on commercial ships traversing there have caused multiple shipping firms to re-route their initial course to avoid the area, and led to longer sailing times and costs as a result. If the current projection of inflation gradually tapering over the next two years is thrown awry as a result of higher logistics cost, that could shift expectations of rate cuts further down the line in order to keep a lid on inflationary pressures.

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As we transit from a peak interest rate environment into a potential rate cut cycle, this is likely to lead to more market volatility as markets toggles between the hope of lower rates benefitting the bottom line versus the risk of a further economic slowdown as post-Covid recovery spending eases back to more normal levels. We continue to believe that well-managed companies with prudent debt levels will outperform in the longer term and will look to pick up stocks that provide a good balance of asset quality and valuations when opportunities present themselves.

31 December 2023

## **SCHRODER SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

### **REPORT OF THE TRUSTEE**

For the financial year ended 31 December 2023

The Trustee is under a duty to take into custody and hold the assets of Schroder Singapore Trust (the “Fund”) in trust for the unitholders. In accordance with the Securities and Futures Act 2001, 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 9 to 36, 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 SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

**STATEMENT BY THE MANAGER**

For the financial year ended 31 December 2023

In the opinion of Schroder Investment Management (Singapore) Ltd, the accompanying financial statements set out on pages 9 to 36, 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 Singapore Trust (the "Fund") as at 31 December 2023, 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 Investment Funds" 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 the Manager  
Schroder Investment Management (Singapore) Ltd

# **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SCHRODER SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

## **Report on the audit of the financial statements**

### *Opinion*

We have audited the financial statements of Schroder Singapore Trust (the "Fund"), which comprise the Statement of Financial Position and Statement of Portfolio as at 31 December 2023, the Statement of Total Return and Statement of Movements of Unitholders' Funds for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 9 to 36.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the recommendations of Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" 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 2023 and the financial performance and movements in unitholders' funds for the year ended on that date.

### *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 '*Auditors' responsibilities for the audit of the financial statements*' section of our report. 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other matter*

The financial statements of the Fund for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 30 March 2023.

## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SCHRODER SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

### *Other information*

Schroder Investment Management (Singapore) Ltd, the Manager of the Fund (the "Manager"), is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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.

### *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 Investment Funds" 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.

### *Auditors' 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 auditors' 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF SCHRODER SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

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 controls.
- Obtain an understanding of internal controls 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 controls.
- 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 auditors' 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 auditors' 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.

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 controls that we identify during our audit.

### **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

### **Singapore**

27 March 2024

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF TOTAL RETURN***For the financial year ended 31 December 2023*

	Note	2023 \$	2022 \$
<b>Income</b>			
Dividends:			
Singapore		42,222,602	32,650,057
Foreign		2,026,425	1,411,872
Interest on deposits with banks	10	80	1
Sundry income		7,167	-
		<b>44,256,274</b>	<b>34,061,930</b>
<b>Less: Expenses</b>			
Management fees	10	7,139,584	7,527,276
Trustee fees	10	266,501	279,913
Valuation fees	10	204,179	215,368
Custodian fees	10	158,756	166,981
Registration fees	10	566,429	603,224
Audit fees		13,970	17,453
Transaction costs		244,556	242,331
Others		131,107	182,643
		<b>8,725,082</b>	<b>9,235,189</b>
<b>Net income</b>		<b>35,531,192</b>	<b>24,826,741</b>
<b>Net gains or losses on value of investments and financial derivatives</b>			
Net (losses)/gains on investments		(18,229,653)	9,707,713
Net losses on spot foreign exchange contracts		(8,769)	(105,982)
Net foreign exchange (losses)/gains		(20,152)	61,552
		<b>(18,258,574)</b>	<b>9,663,283</b>
<b>Total return for the year before income tax</b>		<b>17,272,618</b>	<b>34,490,024</b>
<b>Income tax expense</b>	3	<b>(384,697)</b>	<b>(342,980)</b>
<b>Total return for the year</b>		<b>16,887,921</b>	<b>34,147,044</b>

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF FINANCIAL POSITION***As at 31 December 2023*

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
Portfolio of investments		<b>820,474,984</b>	850,221,337
Bank balances	10	<b>10,905,224</b>	21,631,006
Receivables	5	<b>2,191,604</b>	2,782,831
Financial derivatives	7	-	1
<b>Total assets</b>		<b>833,571,812</b>	874,635,175
<b>LIABILITIES</b>			
Purchases awaiting settlement		-	436,496
Payables	6	<b>10,396,367</b>	11,528,227
Financial derivatives	7	*	202
<b>Total liabilities</b>		<b>10,396,367</b>	11,964,925
<b>EQUITY</b>			
Net assets attributable to unitholders	8	<b>823,175,445</b>	862,670,250

\* Less than \$1

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial year ended 31 December 2023*

	Note	2023 \$	2022 \$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>862,670,250</b>	850,619,875
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		16,887,921	34,147,044
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		111,696,192	178,251,157
Cancellation of units		(149,533,202)	(180,406,987)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		(37,837,010)	(2,155,830)
Distributions	4	(18,545,716)	(19,940,839)
Total (decrease)/increase in net assets attributable to unitholders		(39,494,805)	12,050,375
<b>Net assets attributable to unitholders at the end of the financial year</b>	8	<b>823,175,445</b>	862,670,250

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF PORTFOLIO***As at 31 December 2023***Primary**

	Holdings at 31 Dec 2023	Fair value at 31 Dec 2023 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2023 %
<b>By industry</b>			
<b>Quoted</b>			
<b>Equities</b>			
<b>AGRICULTURE</b>			
First Resources Ltd	4,685,400	6,700,122	0.82
Wilmar Intl Ltd	8,862,000	31,637,340	3.84
		<b>38,337,462</b>	<b>4.66</b>
<b>BANK</b>			
DBS Group Hldg Ltd	4,678,712	156,315,768	18.99
Oversea-Chinese Banking Corp Ltd	10,290,646	133,778,398	16.25
United Overseas Bank Ltd	3,155,662	89,778,584	10.91
		<b>379,872,750</b>	<b>46.15</b>
<b>COMPUTER/SOFTWARE</b>			
Sea Ltd ADR	84,029	4,489,127	0.55
<b>CONSTRUCTION &amp; ENGINEERING</b>			
Singapore Technologies Engineering Ltd	1,502,000	5,842,780	0.71
<b>DIVERSIFIED OPERATIONS</b>			
Jardine Matheson Hldg Ltd	438,800	23,853,217	2.90
Keppel Corp Ltd	3,370,600	23,830,142	2.89
		<b>47,683,359</b>	<b>5.79</b>
<b>FINANCE</b>			
Singapore Exchange Ltd	3,469,200	34,102,236	4.14
<b>FOOD &amp; BEVERAGE</b>			
Thai Beverage PCL	11,355,100	5,961,428	0.72

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF PORTFOLIO***As at 31 December 2023***Primary (continued)**

	Holdings at 31 Dec 2023	Fair value at 31 Dec 2023 \$	Percentage of total net assets attributable to unitholders at 31 Dec 2023 %
<b>By industry</b>			
<b>Quoted</b>			
<b>Equities</b>			
<b>HEALTH CARE/PHARMACEUTICALS</b>			
Raffles Medical Group Ltd	1,519,852	<b>1,641,440</b>	<b>0.20</b>
<b>HOTEL &amp; LEISURE</b>			
Genting Singapore Ltd	22,309,200	<b>22,309,200</b>	<b>2.71</b>
<b>REAL ESTATE</b>			
Capitaland Ascendas REIT	9,802,102	29,700,369	3.61
CapitaLand Integrated Commercial Trust	7,097,251	14,620,337	1.78
Capitaland Investment Ltd/Singapore	9,596,200	30,323,992	3.68
City Developments Ltd	2,478,634	16,482,916	2.00
Cromwell European REIT	737,680	1,526,366	0.19
Frasers Logistics & Commercial Trust	1,773,100	2,039,065	0.25
Hongkong Land Hldg Ltd	2,231,500	10,243,629	1.24
Mapletree Industrial Trust	7,511,898	18,854,864	2.29
Mapletree Logistics Trust	6,842,241	11,905,499	1.45
UOL Group Ltd	2,423,699	15,220,830	1.85
		<b>150,917,867</b>	<b>18.34</b>
<b>SEMICONDUCTOR</b>			
AEM Hldg Ltd	1,402,100	<b>4,851,266</b>	<b>0.59</b>
<b>SHIPBUILDING</b>			
Seatrium Ltd	30,022,411	3,542,645	0.43
Yangzijiang Shipbuilding Hldg Ltd	11,898,500	17,728,765	2.15
		<b>21,271,410</b>	<b>2.58</b>

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF PORTFOLIO***As at 31 December 2023***Primary (continued)**

	<b>Holdings at 31 Dec 2023</b>	<b>Fair value at 31 Dec 2023 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2023 %</b>
<b>By industry</b>			
<b>Quoted</b>			
<b>Equities</b>			
<b>TECHNOLOGY HARDWARE &amp; EQUIPMENT</b>			
Venture Corp Ltd	988,300	<b>13,450,763</b>	<b>1.63</b>
<b>TELECOMMUNICATIONS</b>			
NetLink NBN Trust	1,953,100	1,640,604	0.20
Singapore Telecommunications Ltd	29,353,940	72,504,232	8.81
Starhub Ltd	2,258,200	2,506,602	0.30
		<b>76,651,438</b>	<b>9.31</b>
<b>TRANSPORTATION &amp; LOGISTICS</b>			
Singapore Airlines Ltd	1,641,100	<b>10,765,616</b>	<b>1.31</b>
<b>UTILITIES</b>			
Sembcorp Ind Ltd	438,200	<b>2,326,842</b>	<b>0.28</b>
<b>Portfolio of investments</b>		<b>820,474,984</b>	<b>99.67</b>
<b>Other net assets</b>		<b>2,700,461</b>	<b>0.33</b>
<b>Net assets attributable to unitholders</b>		<b>823,175,445</b>	<b>100.00</b>

**Legend:**

ADR: American Depositary Receipts

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF PORTFOLIO***As at 31 December 2023***Primary (continued)**

	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2023 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2022 %</b>
<b>By industry (summary)</b>		
<b>Quoted</b>		
Agriculture	<b>4.66</b>	5.09
Bank	<b>46.15</b>	46.37
Computer/Software	<b>0.55</b>	0.59
Construction & Engineering	<b>0.71</b>	-
Diversified Operations	<b>5.79</b>	6.86
Finance	<b>4.14</b>	3.60
Food & Beverage	<b>0.72</b>	0.77
Government	-	0.25
Health Care/Pharmaceuticals	<b>0.20</b>	0.74
Hotel & Leisure	<b>2.71</b>	-
Industrial & Transportation	-	0.97
Miscellaneous	-	0.10
Real Estate	<b>18.34</b>	20.41
Semiconductor	<b>0.59</b>	0.56
Shipbuilding	<b>2.58</b>	-
Technology Hardware & Equipment	<b>1.63</b>	1.93
Telecommunications	<b>9.31</b>	9.38
Transportation & Logistics	<b>1.31</b>	0.94
Utilities	<b>0.28</b>	-
<b>Portfolio of investments</b>	<b>99.67</b>	98.56
<b>Other net assets</b>	<b>0.33</b>	1.44
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00



**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***STATEMENT OF PORTFOLIO***As at 31 December 2023***Secondary**

		<b>Percentage of total net assets attributable to unitholders at 31 Dec 2023</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2022</b>
	<b>Fair value at 31 Dec 2023 \$</b>	<b>%</b>	<b>%</b>
<b>By geography</b>			
Singapore	<b>820,474,984</b>	<b>99.67</b>	98.56
<b>Portfolio of investments</b>	<b>820,474,984</b>	<b>99.67</b>	98.56
<b>Other net assets</b>	<b>2,700,461</b>	<b>0.33</b>	1.44
<b>Net assets attributable to unitholders</b>	<b>823,175,445</b>	<b>100.00</b>	100.00

## **SCHRODER SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2023*

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

#### **1. General**

Schroder Singapore Trust (the “Fund”) is a unit trust constituted by a Deed of Trust dated 10 September 1992 (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 1 February 1993, aims to achieve long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange Securities Trading Limited. The portfolio of the Fund will be broadly diversified with no specific industry or sectoral emphasis.

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 SINGAPORE TRUST

Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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## 2. Material accounting policies

### 2.1 Changes in material accounting policies - material accounting policy information

The Fund adopted Amendments to FRS 1: *Presentation of Financial Statements* for the first time for the annual period beginning 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

### 2.2 The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 2.1, which addressed changes in material accounting policies. The Fund has applied new FRSs, amendments to and interpretations of the FRSs that became effective for the annual period beginning on 1 January 2023. Other than described in note 2.1, the application of these new FRSs, amendments to and interpretations of the FRSs does not have a material effect on the Fund's financial statements.

#### (a) Basis of preparation

The financial statements have been prepared under the historical cost basis, as modified by the revaluation of financial instruments at fair value through profit or loss, and in accordance with the Statement of Recommended Accounting Practice 7 "Reporting Framework for Investment Funds" ("RAP 7") revised and 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.

## **SCHRODER SINGAPORE TRUST**

*Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992*

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2023*

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#### **2. Material accounting policies (continued)**

(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. Net changes in fair value of investments are included in the Statement of Total Return in the year in which they arise.

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) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at their fair value and subsequently carried at amortised cost using the effective interest method, less accumulated impairment losses.

(e) Sales and purchases awaiting settlement

Sales and purchases awaiting settlement represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

(f) Bank balances

Bank balances comprise cash at banks which are subject to an insignificant risk of changes in value.

(g) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

## SCHRODER SINGAPORE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2023*

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#### 2. Material accounting policies (continued)

(h) 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.

(i) 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.

(j) 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.

(k) 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 SINGAPORE TRUST

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

#### 3. Income tax

The Fund has been approved by the Monetary Authority of Singapore (MAS) under the Enhanced-Tier Fund (ETF) Scheme (section 13U of the Income Tax Act 1947 and the relevant regulations) and is included in the Central Provident Fund Investment Scheme. Subject to certain conditions being met on an annual basis, the Fund enjoys Singapore corporate income tax exemption on “specified income” derived from “designated investments” for the life of the Fund. The tax exemption does not apply in the year when the relevant conditions are not met. Losses from “designated investments” are correspondingly disregarded. The terms “specified income” and “designated investments” are defined in the relevant income tax regulations.

	2023 \$	2022 \$
Singapore income tax	<b>384,697</b>	342,980

The Singapore income tax represents tax deducted at source for Singapore sourced dividends.

#### 4. Distributions

The Fund distributed a total of \$18,545,716 (2022: \$19,940,839) to Class SGD A Distribution unitholders on the register during the year as disclosed below.

##### 2023

##### **Class SGD A Distribution**

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
31 Mar 2023	19 Apr 2023	1.0883	3,531,816
30 Jun 2023	18 Jul 2023	1.0703	3,426,445
29 Sep 2023	17 Oct 2023	1.0830	3,425,251
15 Jan 2024*	14 Feb 2024	2.4938	8,162,204
			<b>18,545,716</b>

\*The distribution was approved by the Manager in 2023.

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***4. Distributions (continued)**2022**Class SGD A Distribution**

<b>Record date</b>	<b>Payment date</b>	<b>Distribution rate \$ per 100 units</b>	<b>Distribution amount \$</b>
31 Mar 2022	19 Apr 2022	1.1820	3,914,111
30 Jun 2022	19 Jul 2022	1.0800	3,602,491
30 Sep 2022	18 Oct 2022	1.0875	3,615,709
16 Jan 2023*	14 Feb 2023	2.6040	8,808,528
			<u>19,940,839</u>

\*The distribution was approved by the Manager in 2022.

**5. Receivables**

	<b>2023 \$</b>	<b>2022 \$</b>
Amount receivable for creation of units	<b>1,889,545</b>	2,507,605
Interest receivable	<b>4</b>	-
GST receivable	<b>302,009</b>	275,167
Other	<b>46</b>	59
	<u><b>2,191,604</b></u>	<u>2,782,831</u>

**6. Payables**

	<b>2023 \$</b>	<b>2022 \$</b>
Amount payable for cancellation of units	<b>1,590,686</b>	1,980,737
Amount payable for dividend distribution	<b>8,162,204</b>	8,808,528
Accrued management fees	<b>543,700</b>	619,044
Accrued trustee fees	<b>20,292</b>	22,883
Accrued valuation fees	<b>14,558</b>	16,651
Other accrued expenses	<b>64,927</b>	80,384
	<u><b>10,396,367</b></u>	<u>11,528,227</u>

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***7. Financial derivatives**

Financial derivative contracts comprise spot foreign exchange contracts due for settlement or contractual re-pricing within 3 months (2022: within 3 months) from the reporting date. The contracted or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the reporting date are analysed below.

	Notional amount \$	Fair value assets \$	Fair value liabilities \$
<b><u>2023</u></b>			
Contracts:			
Spot foreign exchange	<b>110</b>	-	<b>(*)</b>
<b><u>2022</u></b>			
Contracts:			
Spot foreign exchange	<b>33,049</b>	1	<b>(202)</b>

\* Less than \$1

**8. Units in issue**

<b>Class SGD A Distribution</b>	<b>2023 Units</b>	<b>2022 Units</b>
At the beginning of the financial year	<b>329,895,134</b>	330,554,651
Created	<b>41,391,860</b>	57,686,177
Cancelled	<b>(57,310,097)</b>	(58,345,694)
At the end of the financial year	<b>313,976,897</b>	329,895,134
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders</b>	<b>446,427,352</b>	479,830,411
<b>Net assets attributable to unitholders per unit</b>	<b>1.42</b>	1.45



**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***8. Units in issue (continued)**

<b>Class SGD A Accumulation</b>	<b>2023 Units</b>	<b>2022 Units</b>
At the beginning of the financial year	<b>60,643,037</b>	58,751,545
Created	<b>8,401,806</b>	11,066,421
Cancelled	<b>(9,242,657)</b>	(9,174,929)
At the end of the financial year	<b>59,802,186</b>	60,643,037
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders</b>	<b>77,019,542</b>	76,741,589
<b>Net assets attributable to unitholders per unit</b>	<b>1.29</b>	1.27
 <b>Class USD A Accumulation</b>	 <b>2023 Units</b>	 <b>2022 Units</b>
At the beginning of the financial year	<b>2,814,708</b>	2,796,612
Created	<b>497,523</b>	5,334,808
Cancelled	<b>(995,865)</b>	(5,316,712)
At the end of the financial year	<b>2,316,366</b>	2,814,708
	<b>US\$</b>	<b>US\$</b>
<b>Net assets attributable to unitholders</b>	<b>3,209,287</b>	3,767,402
<b>Net assets attributable to unitholders per unit</b>	<b>1.39</b>	1.34
 <b>Class SGD I Accumulation</b>	 <b>2023 Units</b>	 <b>2022 Units</b>
At the beginning of the financial year	<b>3,234,817</b>	6,222,169
Created	<b>523,104</b>	2,076,836
Cancelled	<b>(2,893,821)</b>	(5,064,188)
At the end of the financial year	<b>864,100</b>	3,234,817
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders</b>	<b>2,995,789</b>	10,890,500
<b>Net assets attributable to unitholders per unit</b>	<b>3.47</b>	3.37

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***8. Units in issue (continued)**

<b>Class SGD M Accumulation</b>	<b>2023 Units</b>	<b>2022 Units</b>
At the beginning of the financial year	<b>154,056,597</b>	150,479,274
Created	<b>20,228,008</b>	32,720,386
Cancelled	<b>(22,936,075)</b>	(29,143,063)
At the end of the financial year	<b>151,348,530</b>	154,056,597
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders</b>	<b>292,499,393</b>	290,154,911
<b>Net assets attributable to unitholders per unit</b>	<b>1.93</b>	1.88

The Fund currently offers 5 Classes of units, namely Class SGD A Distribution units, Class SGD A Accumulation units, Class SGD I Accumulation units, Class SGD M Accumulation units and Class USD A Accumulation units. All 5 Classes of units constitute the Fund and have different features. The key differences between the Classes are the management fee rate, currency of denomination and distribution policy applicable to each Class. The Class USD A Acc is subject to foreign exchange risk against the Fund's functional currency.

Net assets attributable to unitholders ("NAV") is apportioned between all 5 Classes of units based on the proportion of NAV of each Class, which is determined by computing the equivalent number of units of Class SGD A Dis, Class SGD A Acc, Class SGD I Acc, Class SGD M Acc and Class USD A Acc 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.

Acc: Accumulation

Dis: Distribution

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:

<b>Class SGD A Distribution</b>	<b>2023 \$</b>	<b>2022 \$</b>
Net assets attributable to unitholders per unit per the financial statements	<b>1.42</b>	1.45
Effect of distribution payable per unit	<b>0.03</b>	0.03
Net assets attributable to unitholders per unit for issuing/redeeming of units	<b>1.45</b>	1.48

There is no difference between the net assets attributable to unitholders per unit per the financial statements and the net assets attributable to unitholders per unit for issuing/redeeming of units for the Class SGD A Accumulation units, Class USD A Accumulation units, Class SGD I Accumulation units and Class SGD M Accumulation units.

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*For the financial year ended 31 December 2023*

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#### **9. 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 industry sectors.

The performance of the Fund is currently measured against the Straits Times Index, which replaced the MSCI Singapore Free Index with effect from 1 December 2021.

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***9. 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 risks are discussed below:

**(i) Price risk**

The Fund is exposed to price risk. This arises from investments held by the Fund for which prices in the future are uncertain. They are classified on the Statement of Financial Position as Portfolio of Investments. All securities investments, from a standalone perspective, present a risk of loss of capital. Price risk is managed and monitored by the Manager on a portfolio basis, with risks managed through ensuring that investment activities are undertaken in accordance with the Fund's investment strategy and objectives.

As at reporting date, the Fund's overall exposure to price risk were as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Net equity securities	<b>820,474,984</b>	848,035,103

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 the Manager's best estimate of a reasonable possible shift in the benchmark, having regard to the historical movement of the benchmark.

	<b>2023</b>		<b>2022</b>
<b>Reasonable possible change</b>	<b>Impact on net assets attributable to unitholders</b>	<b>Reasonable possible change</b>	<b>Impact on net assets attributable to unitholders</b>
%	\$	%	\$
<b>7</b>	<b>56,469,836</b>	<b>10</b>	<b>84,541,685</b>

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

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***9. Financial risk management (continued)****(a) Market risk (continued)****(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. Hence, no interest rate sensitivity analysis is presented.

**(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:

	<b>As at 31 December 2023</b>			
	<b>SGD</b>	<b>USD</b>	<b>Others*</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Assets</b>				
Portfolio of investments	780,362,645	38,585,973	1,526,366	820,474,984
Bank balances	10,904,564	660	-	10,905,224
Receivables	2,189,127	2,477	-	2,191,604
<b>Total assets</b>	<b>793,456,336</b>	<b>38,589,110</b>	<b>1,526,366</b>	<b>833,571,812</b>
<b>Liabilities</b>				
Payables	10,396,083	284	-	10,396,367
<b>Total liabilities</b>	<b>10,396,083</b>	<b>284</b>	<b>-</b>	<b>10,396,367</b>
<b>Net financial assets</b>	<b>783,060,253</b>	<b>38,588,826</b>	<b>1,526,366</b>	<b>823,175,445</b>
Currency spot	(110)	110	-	
<b>Currency exposure</b>	<b>783,060,143</b>	<b>38,588,936</b>	<b>1,526,366</b>	

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***9. Financial risk management (continued)****(a) Market risk (continued)****(iii) Currency risk (continued)**

	As at 31 December 2022			
	SGD \$	USD \$	Others* \$	Total \$
<b>Assets</b>				
Portfolio of investments	807,096,176	41,541,293	1,583,868	850,221,337
Bank balances	21,630,335	671	-	21,631,006
Receivables	2,780,316	2,515	-	2,782,831
<b>Total assets</b>	<b>831,506,827</b>	<b>41,544,479</b>	<b>1,583,868</b>	<b>874,635,174</b>
<b>Liabilities</b>				
Purchases awaiting settlement	436,496	-	-	436,496
Payables	11,497,359	30,868	-	11,528,227
<b>Total liabilities</b>	<b>11,933,855</b>	<b>30,868</b>	<b>-</b>	<b>11,964,723</b>
<b>Net financial assets</b>	<b>819,572,972</b>	<b>41,513,611</b>	<b>1,583,868</b>	<b>862,670,451</b>
Currency spot	(28,219)	28,219	-	-
<b>Currency exposure</b>	<b>819,544,753</b>	<b>41,541,830</b>	<b>1,583,868</b>	

\* 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 9(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.

## SCHRODER SINGAPORE TRUST

Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992

### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

#### 9. 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.

	<b>2023</b>	<b>2022</b>
	<b>Less than</b>	<b>Less than</b>
	<b>3 months</b>	<b>3 months</b>
	<b>\$</b>	<b>\$</b>
Purchases awaiting settlement	-	436,496
Payables	<b>10,396,367</b>	11,528,227
Financial derivatives	*	202

\* Less than \$1

All financial derivatives are disclosed above based on fair value as at the reporting date. Spot foreign exchange contracts are settled based on contractual notional amounts on settlement date. The notional amounts of all financial derivatives are disclosed in Note 7.

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

#### 9. Financial risk management (continued)

##### (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.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default, considering both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2023 and 31 December 2022, the Fund's financial assets (except portfolio of investments and/or financial derivatives) as disclosed in the Statement of Financial Position are realised within three months. The Manager considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

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 2023	Credit rating	Source of credit rating
<b><u>Bank &amp; Custodian</u></b>		
The Hongkong and Shanghai Banking Corporation Limited	a2	Moody's
<b><u>Counterparty</u></b>		
BNY Mellon NA	a1	Moody's
The Hongkong and Shanghai Banking Corporation Limited	a2	Moody's



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### NOTES TO THE FINANCIAL STATEMENTS

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#### 9. Financial risk management (continued)

##### (c) Credit risk (continued)

As at 31 December 2022	Credit rating	Source of credit rating
<b><u>Bank &amp; Custodian</u></b>		
The Hongkong and Shanghai Banking Corporation Limited	a2	Moody's
<b><u>Counterparty</u></b>		
BNY Mellon NA	a1	Moody's
The Hongkong and Shanghai Banking Corporation Limited	a2	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.

##### (d) Fair value estimation

The fair value of financial instruments is based on quoted market prices as at the reporting date. The quoted market price used for equities is the last traded market price, and the quoted market price used for other financial assets is the current bid price; the appropriate quoted market price used for financial liabilities is the current asking price.

The Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**9. Financial risk management (continued)****(d) Fair value estimation (continued)**

The following table analyses within the fair value hierarchy the Fund's financial instruments measured at fair value at reporting date:

	As at 31 December 2023			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Assets</b>				
Financial assets at fair value through profit or loss				
Equities	<b>820,474,984</b>	-	-	<b>820,474,984</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
Financial derivatives	-	*	-	*
	As at 31 December 2022			Total
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Assets</b>				
Financial assets at fair value through profit or loss				
Debt securities	2,186,234	-	-	2,186,234
Equities	848,035,103	-	-	848,035,103
Financial derivatives	-	1	-	1
	<b>850,221,337</b>	<b>1</b>	-	<b>850,221,338</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
Financial derivatives	-	202	-	202

\* Less than \$1

Investments in MAS Bills debt securities and 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.

Financial instruments that trade in markets not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include over-the-counter derivatives.

There are no financial instruments classified within 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.

**SCHRODER SINGAPORE TRUST**

Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**9. Financial risk management (continued)****(e) Offsetting financial assets and financial liabilities**

The following tables present the Fund's financial assets and liabilities subject to offsetting, enforceable master netting arrangements or similar agreements.

The gross and net positions of financial assets and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the tables below.

	Gross amounts of recognised financial liabilities \$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position \$	Net amounts of financial liabilities presented in the Statement of Financial Position \$	Related amounts not set-off in the Statement of Financial Position	
				Financial instruments \$	Cash collateral \$
Contracts: Spot foreign exchange	*	-	*	-	-

	Gross amounts of recognised financial assets \$	Gross amounts of recognised financial liabilities set-off in the Statement of Financial Position \$	Net amounts of financial assets presented in the Statement of Financial Position \$	Related amounts not set-off in the Statement of Financial Position	
				Financial instruments \$	Cash collateral \$
Contracts: Spot foreign exchange	1	-	1	(1)	-

	Gross amounts of recognised financial liabilities \$	Gross amounts of recognised financial assets set-off in the Statement of Financial Position \$	Net amounts of financial liabilities presented in the Statement of Financial Position \$	Related amounts not set-off in the Statement of Financial Position	
				Financial instruments \$	Cash collateral \$
Contracts: Spot foreign exchange	202	-	202	(1)	-

\* Less than \$1

**(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.

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2023***10. Related party disclosure**

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Trustee is HSBC Institutional Trust Services (Singapore) Limited. The Registrar for the Fund is The Hongkong and Shanghai Banking Corporation Limited. Both Trustee and Registrar are subsidiaries 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:

	<b>2023</b> \$	2022 \$
Current accounts	<b>10,905,224</b>	21,631,006

**11. Financial ratios**

	<b>2023</b>				
	Class SGD A Dis	Class SGD A Acc	Class USD A Acc	Class SGD I Acc	Class SGD M Acc
Expense ratio <sup>1</sup>	<b>1.31%</b>	<b>1.30%</b>	<b>1.27%</b>	<b>0.13%</b>	<b>0.48%</b>
	<b>2022</b>				
	Class SGD A Dis	Class SGD A Acc	Class USD A Acc	Class SGD I Acc	Class SGD M Acc
Expense ratio <sup>1</sup>	1.32%	1.30%	1.27%	0.13%	0.48%
	<b>2023 Fund</b>			<b>2022 Fund</b>	
Turnover ratio <sup>2</sup>	<b>14.47%</b>			16.62%	

**SCHRODER SINGAPORE TRUST**

Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2023

**11. Financial ratios (continued)**

- <sup>1</sup> 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 annualised 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, 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.

Expense ratio calculations	2023				
	Class SGD A Dis	Class SGD A Acc	Class USD A Acc	Class SGD I Acc	Class SGD M Acc
	\$	\$	\$	\$	\$
Total operating expenses	6,045,020	993,422	58,094	12,738	1,371,252
Average net asset value	460,976,208	76,646,434	4,576,761	9,631,174	288,409,014

Expense ratio calculations	2022				
	Class SGD A Dis	Class SGD A Acc	Class USD A Acc	Class SGD I Acc	Class SGD M Acc
	\$	\$	\$	\$	\$
Total operating expenses	6,505,647	986,939	93,683	27,481	1,379,108
Average net asset value	494,553,129	75,896,717	7,423,433	20,737,066	287,086,362

- <sup>2</sup> 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	2023		2022	
	Fund		Fund	
	\$		\$	
Lower of purchases or sales	121,608,997	(purchases)	147,221,284	(sales)
Average net asset value	840,239,591		885,696,707	

## REPORT TO UNITHOLDERS

31 December 2023

The following is a report on the Schroder Singapore Trust (the “Fund”):

1. Top 10 holdings of the Fund as at 31 December 2023:

	<b>Fair value \$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
DBS Group Hldg Ltd	156,315,768	18.99
Oversea-Chinese Banking Corp Ltd	133,778,398	16.25
United Overseas Bank Ltd	89,778,584	10.91
Singapore Telecommunications Ltd	72,504,232	8.81
Singapore Exchange Ltd	34,102,236	4.14
Wilmar Intl Ltd	31,637,340	3.84
Capitaland Investment Ltd/Singapore	30,323,992	3.68
Capitaland Ascendas REIT	29,700,369	3.61
Jardine Matheson Hldg Ltd	23,853,217	2.90
Keppel Corp Ltd	23,830,142	2.89

Top 10 holdings of the Fund as at 31 December 2022:

	<b>Fair value \$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
DBS Group Hldg Ltd	163,945,943	19.01
Oversea-Chinese Banking Corp Ltd	119,641,046	13.87
United Overseas Bank Ltd	116,348,763	13.49
Singapore Telecommunications Ltd	76,733,621	8.90
Wilmar Intl Ltd	36,954,540	4.29
Keppel Corp Ltd	35,175,426	4.08
Capitaland Investment Ltd/Singapore	34,240,170	3.98
Singapore Exchange Ltd	31,049,340	3.60
City Developments Ltd	24,433,503	2.84
Jardine Matheson Hldg Ltd	23,975,399	2.78

The Fund was not invested in other unit trusts, mutual funds or collective investment schemes as at 31 December 2023 other than as stated in the Statement of Portfolio. For the full composition of investments of the Fund as at 31 December 2023, refer to the Statement of Portfolio on pages 12 to 16.

## REPORT TO UNITHOLDERS

31 December 2023

2. The Fund has the following exposure to financial derivatives as at 31 December 2023:

	<b>Fair value \$</b>	<b>Percentage of total net assets attributable to unitholders %</b>
Contracts:		
Spot foreign exchange	(*)	(^)
* Less than \$1		
^ Less than 0.01		

The net loss on financial derivatives realised in the period 1 January 2023 to 31 December 2023 amounted to \$8,769.

The net loss on outstanding financial derivatives marked to market as at 31 December 2023 amounted to \$0.01.

3. The Fund did not have any borrowings as at 31 December 2023.
4. The amount of subscriptions and redemptions in the period 1 January 2023 to 31 December 2023 were as follows:

	<b>\$</b>
Subscriptions	111,696,192
Redemptions	149,533,202

5. Expense Ratio

### Class SGD A Distribution

1 January 2023 to 31 December 2023	1.31%
1 January 2022 to 31 December 2022	1.32%

### Class SGD A Accumulation

1 January 2023 to 31 December 2023	1.30%
1 January 2022 to 31 December 2022	1.30%

## REPORT TO UNITHOLDERS

31 December 2023

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### Class USD A Accumulation

1 January 2023 to 31 December 2023	1.27%
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1 January 2022 to 31 December 2022	1.27%
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### Class SGD I Accumulation

1 January 2023 to 31 December 2023	0.13%
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1 January 2022 to 31 December 2022	0.13%
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### Class SGD M Accumulation

1 January 2023 to 31 December 2023	0.48%
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1 January 2022 to 31 December 2022	0.48%
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## 6. Turnover of Portfolio

1 January 2023 to 31 December 2023	14.47%
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1 January 2022 to 31 December 2022	16.62%
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## 7. Soft dollar commissions/arrangements:

In the management of the Fund, the Manager currently does not receive or enter into any soft dollar commissions or arrangements.

## 8. For related party transactions, refer to Note 10 in the Notes to the Financial Statements.



## REPORT TO UNITHOLDERS

31 December 2023

### 9. Performance of Fund for periods ended 31 December 2023

	3 mths	6 mths	1 yr	3 yrs*	5 yrs*	10 yrs*	Since Launch**
Class SGD A Distribution	1.0%	3.0%	1.8%	5.5%	3.5%	3.4%	7.1%
Benchmark**	1.4%	3.5%	4.7%	8.5%	5.7%	4.2%	4.6%
Class SGD A Accumulation	1.0%	3.0%	1.8%	5.6%	3.6%	-	3.7%
Benchmark**	1.4%	3.5%	4.7%	8.5%	5.7%	-	5.4%
Class USD A Accumulation	4.6%	5.7%	3.6%	5.7%	4.3%	-	4.8%
Benchmark**	4.9%	6.2%	6.5%	8.6%	6.4%	-	6.4%
Class SGD I Accumulation	1.3%	3.6%	3.0%	6.8%	4.8%	4.6%	6.1%
Benchmark**	1.4%	3.5%	4.7%	8.5%	5.7%	4.2%	5.2%
Class SGD M Accumulation	1.3%	3.4%	2.7%	6.4%	4.4%	4.2%	4.9%
Benchmark**	1.4%	3.5%	4.7%	8.5%	5.7%	4.2%	4.3%

\* Returns of more than 1 year are annualised

# Since launch figures from 1 February 1993 (Class SGD A Dis), 6 September 2006 (Class SGD I Acc), 7 May 2010 (Class SGD M Acc) and 1 February 2017 (Class SGD A Acc and Class USD A Acc)

\*\* Benchmark: The benchmark of the Fund has been changed from the DBS CPF Index to the MSCI Singapore Free Index from 1 August 1998. With effect from 1 December 2021, the benchmark of the Fund has been changed to the Straits Times Index.

Source

Fund: Morningstar (class currency, bid to bid, net income reinvested, net of fees)

Benchmark: Schroders (class currency)

