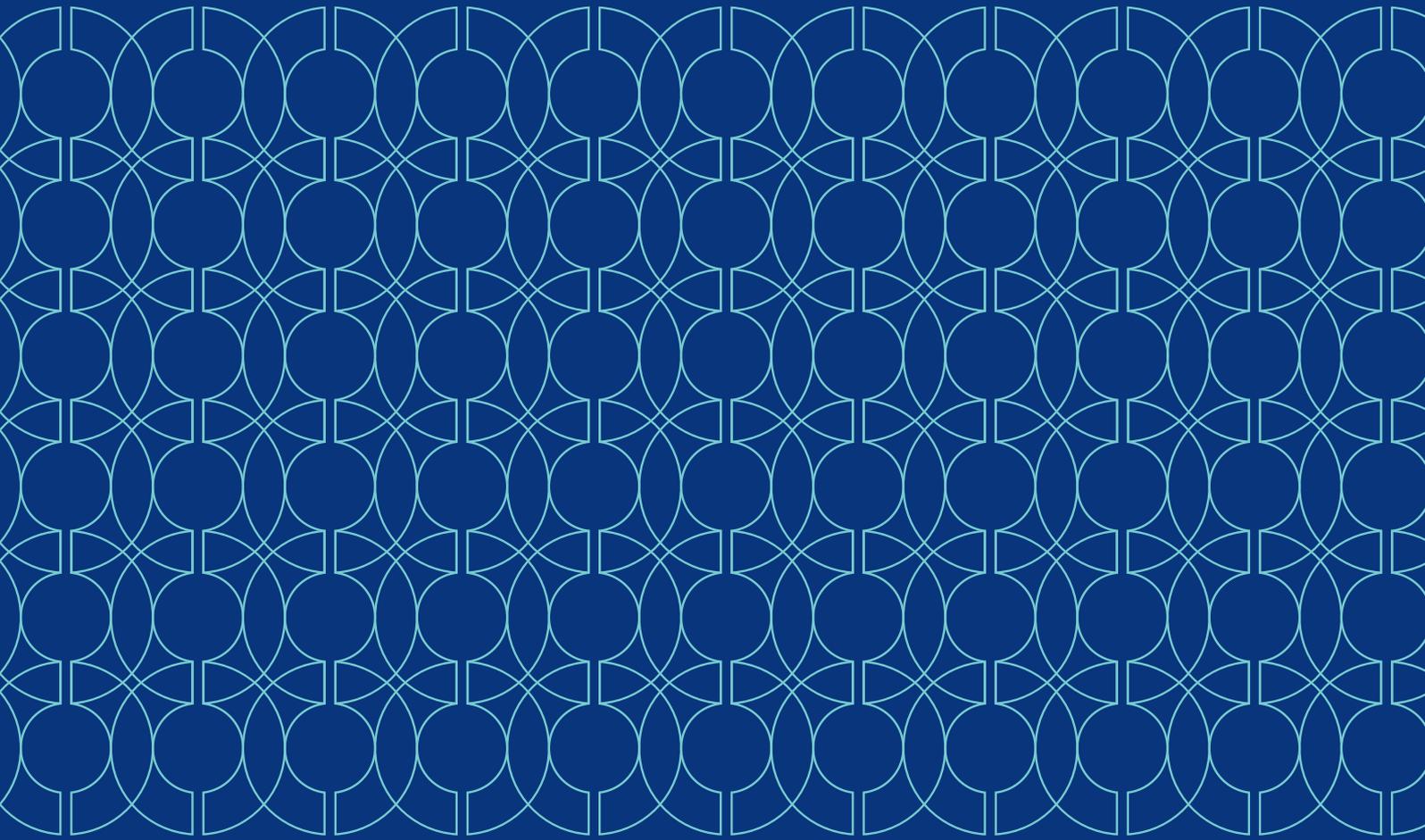


**Schroders**

**SCHRODER SINGAPORE TRUST**

**Annual Report & Financial Statements**

**December 2018**



## **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  
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.00006.SF.702

## **SCHRODER SINGAPORE TRUST**

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

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### **COMMENTARY**

The Fund posted negative returns in 2018 but outperformed the Singapore index amid global market weakness. Concerns centred on the prospect of slowing economic growth, rising oil prices, China's trade tensions with the US as well as the US Fed hike rate cycle.

There is considerable uncertainty regarding the earnings outlook if China-US trade disputes continue to roil on. However, we consider some of the following countervailing factors:

- Valuations: these have improved in terms of historic price-earnings multiples and price-book valuations, but earnings visibility remains problematic
- The rapid decline in oil prices is a boon for consumer-centric sectors
- How rapidly can monetary and fiscal policy changes be introduced to stave off further macro deterioration and financial market declines? China has made further efforts to ease domestic liquidity concerns and is planning broader fiscal measures. As inflation numbers sequentially improve as a result of lower oil prices, there could be room for more policy flexibility from other central banks.
- Yields for long bonds have fallen from their peaks, easing the valuation pressure from rising risk-free rates. These have been supportive of the Singapore REITs in particular.

In summary, many of the key earnings variables are at a critical juncture, with weakening macro data on exports, for example. Furthermore, quantitative easing and a plethora of other policy tools have propped up the economic cycle since the Global Financial Crisis. Many of these tools are now being unwound or deemed to be less effective. The milieu of widening geopolitical schisms could render monetary and fiscal stimulus less effective than in previous macro cycles. However, the recent market rally illustrates the sentiment impact should progress on trade disputes materialise. Under these conditions, we continue to favour a defensive tilt, while seeking better valuation entry levels for companies with medium-term earnings recovery.

December 2018

## **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 2018

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 (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 34, 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 2018

In the opinion of Schroder Investment Management (Singapore) Ltd, the accompanying financial statements set out on pages 8 to 34, 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 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 SINGAPORE TRUST

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

## **Our Opinion**

In our opinion, the accompanying financial statements of Schroder Singapore Trust (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 SINGAPORE TRUST**

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

### **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 SINGAPORE TRUST**

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

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 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 2018

	Notes	2018 \$	2017 \$
<b>Income</b>			
Dividends:			
Singapore		<b>33,105,149</b>	25,144,460
Foreign		<b>1,355,952</b>	1,126,175
Interest on deposits with banks	10	<b>32</b>	2
Sundry income		-	2
		<b>34,461,133</b>	26,270,639
<b>Less : Expenses</b>			
Management fees	10	<b>7,100,032</b>	6,714,308
Trustee fees	10	<b>262,340</b>	248,529
Valuation fees	10	<b>200,527</b>	189,333
Custodian fees	10	<b>160,510</b>	152,295
Registration fees	10	<b>576,366</b>	542,411
Audit fees		<b>22,280</b>	19,967
Transaction costs		<b>237,413</b>	297,175
Others		<b>217,106</b>	255,514
		<b>8,776,574</b>	8,419,532
<b>Net income</b>		<b>25,684,559</b>	17,851,107
<b>Net gains or losses on value of investments and financial derivatives</b>			
Net (losses)/gains on investments		<b>(83,466,852)</b>	146,825,650
Net losses on spot foreign exchange contracts		<b>(11,753)</b>	(12,060)
Net gains on futures contracts		-	391,899
Net foreign exchange losses		<b>(13,043)</b>	(9,677)
		<b>(83,491,648)</b>	147,195,812
<b>Total (deficit)/return for the year before income tax</b>		<b>(57,807,089)</b>	165,046,919
<b>Less : Income tax</b>	3	<b>(358,696)</b>	(353,637)
<b>Total (deficit)/return for the year</b>		<b>(58,165,785)</b>	164,693,282

**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 2018*

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
Portfolio of investments		<b>731,697,559</b>	821,591,609
Bank balances	10	<b>36,636,955</b>	34,385,432
Sales awaiting settlement		-	3,966,331
Receivables	5	<b>3,264,206</b>	4,257,937
Margin account	11	-	484,056
<b>Total assets</b>		<b>771,598,720</b>	864,685,365
<b>LIABILITIES</b>			
Purchases awaiting settlement		<b>1,150,338</b>	15,707,713
Payables	6	<b>10,009,703</b>	12,465,712
Financial derivatives	7	<b>3,350</b>	*
<b>Total liabilities</b>		<b>11,163,391</b>	28,173,425
<b>EQUITY</b>			
Net assets attributable to unitholders	8	<b>760,435,329</b>	836,511,940

\* Less than 0.01

**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 2018*

	Notes	2018 \$	2017 \$
<b>Net assets attributable to unitholders at the beginning of the financial year</b>		<b>836,511,940</b>	688,207,754
<b>Operations</b>			
Change in net assets attributable to unitholders resulting from operations		<b>(58,165,785)</b>	164,693,282
<b>Unitholders' contributions/(withdrawals)</b>			
Creation of units		<b>159,334,209</b>	194,983,442
Cancellation of units		<b>(157,858,885)</b>	(191,808,633)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units		<b>1,475,324</b>	3,174,809
Distributions	4	<b>(19,386,150)</b>	(19,563,905)
Total (decrease)/increase in net assets attributable to unitholders		<b>(76,076,611)</b>	148,304,186
<b>Net assets attributable to unitholders at the end of the financial year</b>	8	<b>760,435,329</b>	836,511,940

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***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 %
<b>By industry</b>			
<b>Quoted</b>			
<b>Equities</b>			
<b>AGRICULTURE</b>			
First Resources Ltd	7,743,300	11,924,682	1.57
Wilmar Intl Ltd	2,428,500	7,576,920	1.00
		<b>19,501,602</b>	<b>2.57</b>
<b>CONSUMER</b>			
Genting Singapore PLC	4,214,500	4,109,138	0.54
Jardine Cycle & Carriage Ltd	450,100	15,911,035	2.09
Singapore Press Hldg Ltd	524,800	1,233,280	0.16
		<b>21,253,453</b>	<b>2.79</b>
<b>DIVERSIFIED OPERATIONS</b>			
Jardine Matheson Hldg Ltd	81,100	7,691,325	1.01
Jardine Strategic Hldg Ltd	146,300	7,320,227	0.96
Keppel Corp Ltd	6,593,100	38,965,221	5.12
		<b>53,976,773</b>	<b>7.09</b>
<b>FINANCE</b>			
DBS Group Hldg Ltd	5,223,012	123,733,154	16.27
iFAST Corp Ltd	2,201,000	2,355,070	0.31
Oversea-Chinese Banking Corp Ltd	11,075,722	124,712,630	16.40
Singapore Exchange Ltd	1,697,000	12,133,550	1.60
United Overseas Bank Ltd	4,083,562	100,333,118	13.19
		<b>363,267,522</b>	<b>47.77</b>
<b>HEALTH CARE</b>			
Raffles Medical Group Ltd	6,379,152	7,017,067	0.92

**SCHRODER SINGAPORE TRUST***Constituted under a Trust Deed in the Republic of Singapore on 10 September 1992***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 %
<b>By industry</b>			
<b>Quoted</b>			
<b>Equities</b>			
<b>INDUSTRIAL AND TRANSPORTATION</b>			
HRnetgroup Ltd	4,384,381	3,507,505	0.46
SATS Ltd	3,126,700	14,570,422	1.92
SBS Transit Ltd	508,300	1,372,410	0.18
SIA Engineering Co Ltd	2,140,100	4,858,027	0.64
Singapore Post Ltd	1,088,900	996,344	0.13
Venture Corp Ltd	879,900	12,274,605	1.61
		<b>37,579,313</b>	<b>4.94</b>
<b>REAL ESTATE</b>			
Ascendas Real Estate Investment Trust	1,764,900	4,535,793	0.60
CapitalLand Ltd	10,364,900	32,234,839	4.23
CapitalLand Mall Trust	7,355,200	16,622,752	2.19
City Developments Ltd	2,558,934	20,778,544	2.73
Frasers Logistics & Industrial Trust	18,219,410	18,765,992	2.47
Ho Bee Land Ltd	59,000	139,830	0.02
Hongkong Land Hldg Ltd	2,157,800	18,528,813	2.44
Keppel DC REIT	874,000	1,179,900	0.16
Mapletree Commercial Trust	5,670,500	9,356,325	1.23
Mapletree Industrial Trust	8,145,365	15,557,647	2.05
UOL Group Ltd	1,620,099	10,028,413	1.32
		<b>147,728,848</b>	<b>19.44</b>
<b>TELECOMMUNICATIONS</b>			
NetLink NBN Trust	8,983,136	6,872,099	0.90
Singapore Telecommunications Ltd	23,270,540	68,182,682	8.97
StarHub Ltd	3,610,400	6,318,200	0.83
		<b>81,372,981</b>	<b>10.70</b>
<b>Portfolio of investments</b>		<b>731,697,559</b>	<b>96.22</b>
<b>Other net assets</b>		<b>28,737,770</b>	<b>3.78</b>
<b>Net assets attributable to unitholders</b>		<b>760,435,329</b>	<b>100.00</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 2018***Primary (continued)**

	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2018 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2017 %</b>
<b>By industry (summary)</b>		
<b>Quoted</b>		
Agriculture	<b>2.57</b>	2.54
Consumer	<b>2.79</b>	1.91
Diversified Operations	<b>7.09</b>	6.15
Finance	<b>47.77</b>	47.18
Health Care	<b>0.92</b>	0.84
Industrial and Transportation	<b>4.94</b>	6.75
Real Estate	<b>19.44</b>	22.46
Telecommunications	<b>10.70</b>	10.39
<b>Portfolio of investments</b>	<b>96.22</b>	98.22
<b>Other net assets</b>	<b>3.78</b>	1.78
<b>Net assets attributable to unitholders</b>	<b>100.00</b>	100.00

**Secondary**

	<b>Fair value at 31 Dec 2018 \$</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2018 %</b>	<b>Percentage of total net assets attributable to unitholders at 31 Dec 2017 %</b>
<b>By geography</b>			
Singapore	<b>731,697,559</b>	<b>96.22</b>	98.22
<b>Portfolio of investments</b>	<b>731,697,559</b>	<b>96.22</b>	98.22
<b>Other net assets</b>	<b>28,737,770</b>	<b>3.78</b>	1.78
<b>Net assets attributable to unitholders</b>	<b>760,435,329</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 2018*

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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, seeks long-term capital growth primarily through investment in securities of companies listed on the Singapore Exchange. 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 2018

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#### 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.

## 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 2018

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#### 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 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 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	<u>358,696</u>	353,637

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

#### 4. Distributions

The Fund distributed a total of \$19,386,150 (2017: \$19,563,905) to Class SGD A Distribution unitholders on the register during the year as disclosed below.

##### 2018

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

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
29 Mar 2018	17 Apr 2018	1.2638	3,720,270
29 Jun 2018	17 Jul 2018	1.1963	3,563,488
28 Sep 2018	16 Oct 2018	1.2015	3,676,590
15 Jan 2019*	18 Feb 2019	2.7265	<u>8,425,802</u>
			<u>19,386,150</u>

\*The distribution declared on 15 January 2019 was approved by the Manager in 2018.

## 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 2018

#### 4. Distributions (continued)

2017

##### Class SGD A Distribution

Record date	Payment date	Distribution rate \$ per 100 units	Distribution amount \$
31 Mar 2017	19 Apr 2017	1.1393	3,581,224
30 Jun 2017	18 Jul 2017	1.1685	3,504,074
29 Sep 2017	17 Oct 2017	1.1745	3,425,761
16 Jan 2018*	14 Feb 2018	3.0730	9,052,846
			<u>19,563,905</u>

\*The distribution declared on 16 January 2018 was approved by the Manager in 2017.

#### 5. Receivables

	2018 \$	2017 \$
Amount receivable for creation of units	1,440,610	1,830,134
Dividend receivable	1,582,397	2,213,452
Refund of GST	241,148	214,329
Other	51	22
	<u>3,264,206</u>	<u>4,257,937</u>

#### 6. Payables

	2018 \$	2017 \$
Amount payable for cancellation of units	888,778	2,685,183
Amount payable for dividend distribution	8,425,802	9,052,846
Accrued management fees	579,078	612,272
Accrued trustee fees	21,024	22,845
Accrued valuation fees	15,110	12,701
Other accrued expenses	79,911	79,865
	<u>10,009,703</u>	<u>12,465,712</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 2018

#### 7. Financial derivatives

Financial derivative contracts comprise spot foreign exchange contracts due for settlement or contractual re-pricing within 3 months (2017: 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 liabilities \$
<b>2018</b>		
Contracts:		
Spot foreign exchange	<b>1,150,368</b>	<b>3,350</b>
<b>2017</b>		
Contracts:		
Spot foreign exchange	25	*

\* Less than 0.01

#### 8. Units in issue

Class SGD A Distribution	2018 Units	2017 Units
At the beginning of the financial year	<b>296,024,890</b>	325,258,331
Created	<b>52,373,543</b>	43,649,134
Cancelled	<b>(39,622,346)</b>	(72,882,575)
At the end of the financial year	<b>308,776,087</b>	296,024,890
	\$	\$
<b>Net assets attributable to unitholders</b>	<b>450,724,421</b>	485,812,827
<b>Net assets attributable to unitholders per unit</b>	<b>1.46</b>	1.64

**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 2018***8. Units in issue (continued)****Class SGD A Accumulation**

	<b>2018 Units</b>	For the financial period from 2 Feb 2017 (date of inception) to 31 Dec 2017 Units
At the beginning of the financial year/period	<b>54,374,966</b>	-
Created	<b>20,100,852</b>	69,453,695
Cancelled	<b>(10,837,394)</b>	(15,078,729)
At the end of the financial year/period	<b>63,638,424</b>	54,374,966
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders</b>	<b>68,800,964</b>	63,464,168
<b>Net assets attributable to unitholders per unit</b>	<b>1.08</b>	1.17

**Class USD A Accumulation**

	<b>2018 Units</b>	For the financial period from 2 Feb 2017 (date of inception) to 31 Dec 2017 Units
At the beginning of the financial year/period	<b>186,036</b>	-
Created	<b>196,013</b>	235,271
Cancelled	<b>(20,797)</b>	(49,235)
At the end of the financial year/period	<b>361,252</b>	186,036
	<b>US\$</b>	<b>US\$</b>
<b>Net assets attributable to unitholders</b>	<b>405,937</b>	230,105
<b>Net assets attributable to unitholders per unit</b>	<b>1.12</b>	1.24

**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 2018***8. Units in issue (continued)**

<b>Class SGD I Accumulation</b>	<b>2018 Units</b>	<b>2017 Units</b>
At the beginning of the financial year	<b>12,534,478</b>	7,770,023
Created	<b>1,461,033</b>	7,755,904
Cancelled	<b>(8,672,103)</b>	(2,991,449)
At the end of the financial year	<b>5,323,408</b>	12,534,478
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders</b>	<b>14,595,078</b>	36,660,895
<b>Net assets attributable to unitholders per unit</b>	<b>2.74</b>	2.92
<b>Class SGD M Accumulation</b>	<b>2018 Units</b>	<b>2017 Units</b>
At the beginning of the financial year	<b>150,129,196</b>	165,366,922
Created	<b>27,977,115</b>	20,865,848
Cancelled	<b>(33,100,201)</b>	(36,103,574)
At the end of the financial year	<b>145,006,110</b>	150,129,196
	<b>\$</b>	<b>\$</b>
<b>Net assets attributable to unitholders</b>	<b>225,761,574</b>	250,266,538
<b>Net assets attributable to unitholders per unit</b>	<b>1.56</b>	1.67

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. The Class SGD A Acc and Class USD A Acc were incepted on 2 February 2017.

## 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 2018

#### 8. Units in issue (continued)

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>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per unit per the financial statements	<b>1.46</b>	1.64
Effect for movement in the net asset value between the last dealing date and the financial year end date <sup>^</sup>	-	*
Effect of distribution per unit	<b>0.03</b>	0.03
Net assets attributable to unitholders per unit for issuing/redeeming of units	<b>1.49</b>	1.67
<b>Class SGD A Accumulation</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Net assets attributable to unitholders per unit per the financial statements	<b>1.08</b>	1.17
Effect for movement in the net asset value between the last dealing date and the financial year/period end date <sup>^</sup>	-	*
Net assets attributable to unitholders per unit for issuing/redeeming of units	<b>1.08</b>	1.17

**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 2018***8. Units in issue (continued)**

<b>Class USD A Accumulation</b>	<b>2018 US\$</b>	<b>2017 US\$</b>
Net assets attributable to unitholders per unit per the financial statements	<b>1.12</b>	1.24
Effect for movement in the net asset value between the last dealing date and the financial year/period end date <sup>^</sup>	-	*
Net assets attributable to unitholders per unit for issuing/redeeming of units	<b>1.12</b>	1.24
<b>Class SGD I Accumulation</b>	<b>2018 \$</b>	<b>2017 \$</b>
Net assets attributable to unitholders per unit per the financial statements	<b>2.74</b>	2.92
Effect for movement in the net asset value between the last dealing date and the financial year end date <sup>^</sup>	-	*
Net assets attributable to unitholders per unit for issuing/redeeming of units	<b>2.74</b>	2.92
<b>Class SGD M Accumulation</b>	<b>2018 \$</b>	<b>2017 \$</b>
Net assets attributable to unitholders per unit per the financial statements	<b>1.56</b>	1.67
Effect for movement in the net asset value between the last dealing date and the financial year end date <sup>^</sup>	-	*
Net assets attributable to unitholders per unit for issuing/redeeming of units	<b>1.56</b>	1.67

\* Less than 0.01

<sup>^</sup> 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.

## 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 2018

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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 benchmark against which the performance of the Fund is measured is the MSCI Singapore Free Index.

## 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 2018

#### 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 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
%	\$	%	\$
7	45,681,648	8	55,630,222

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.

## 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 2018

#### 9. 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		
	SGD	USD	Total
	\$	\$	\$
<b>Assets</b>			
Portfolio of investments	698,157,194	33,540,365	731,697,559
Bank balances	36,636,273	682	36,636,955
Receivables	3,262,683	1,523	3,264,206
<b>Total assets</b>	<b>738,056,150</b>	<b>33,542,570</b>	<b>771,598,720</b>
<b>Liabilities</b>			
Purchases awaiting settlement	-	1,150,338	1,150,338
Payables	10,009,217	486	10,009,703
<b>Total liabilities</b>	<b>10,009,217</b>	<b>1,150,824</b>	<b>11,160,041</b>
<b>Net financial assets</b>	<b>728,046,933</b>	<b>32,391,746</b>	<b>760,438,679</b>
Currency spot	(1,153,718)	1,153,718	
<b>Currency exposure</b>	<b>726,893,215</b>	<b>33,545,464</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 2018***9. Financial risk management (continued)**(a) Market risk (continued)(iii) Currency risk (continued)

	As at 31 December 2017		
	SGD \$	USD \$	Total \$
<b>Assets</b>			
Portfolio of investments	791,401,983	30,189,626	821,591,609
Bank balances	34,384,764	668	34,385,432
Sales awaiting settlement	3,966,331	-	3,966,331
Receivables	4,257,616	321	4,257,937
Margin account	484,056	-	484,056
<b>Total assets</b>	<b>834,494,750</b>	<b>30,190,615</b>	<b>864,685,365</b>
<b>Liabilities</b>			
Purchases awaiting settlement	15,707,713	-	15,707,713
Payables	12,465,306	406	12,465,712
<b>Total liabilities</b>	<b>28,173,019</b>	<b>406</b>	<b>28,173,425</b>
<b>Net financial assets</b>	<b>806,321,731</b>	<b>30,190,209</b>	<b>836,511,940</b>
Currency spot	(25)	25	
<b>Currency exposure</b>	<b>806,321,706</b>	<b>30,190,234</b>	

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 2018

#### 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>2018</b>	2017
	<b>Less than 3 months</b>	Less than 3 months
	<b>\$</b>	<b>\$</b>
Purchases awaiting settlement	<b>1,150,338</b>	15,707,713
Payables	<b>10,009,703</b>	12,465,712
Financial derivatives	<b>3,350</b>	-

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.

## 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 2018

#### 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.

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 and custodians with whom the Fund's assets are held as at reporting date.

As at 31 December 2018	Credit rating	Source of credit rating
<b><u>Bank &amp; Custodian</u></b> The Hongkong and Shanghai Banking Corp Ltd	<b>a1</b>	<b>Moody's</b>
As at 31 December 2017	Credit rating	Source of credit rating
<b><u>Bank &amp; Custodian</u></b> The Hongkong and Shanghai Banking Corp Ltd	<b>a1</b>	<b>Moody's</b>

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

The maximum exposure to credit risk at the reporting date is the carrying amount of the 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 2018

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

##### (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)

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 2018			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Assets</b>				
Financial assets at fair value through profit or loss				
Equities	<b>731,697,559</b>	-	-	<b>731,697,559</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
Financial derivatives	-	<b>3,350</b>	-	<b>3,350</b>
	As at 31 December 2017			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Assets</b>				
Financial assets at fair value through profit or loss				
Equities	<b>821,591,609</b>	-	-	<b>821,591,609</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 2018

#### 9. 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.

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.

##### (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 \$	Net amount \$
<b>2018</b>						
Contracts: Spot foreign exchange	3,350	-	3,350	-	-	3,350
<b>2017</b>						
Contracts: Spot foreign exchange	*	-	*	-	-	*

\* Less than 0.01

## 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 2018

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

##### (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.

#### 10. 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>36,636,955</u>	<u>34,385,432</u>

#### 11. Margin account

	2018 \$	2017 \$
Margin account	<u>-</u>	<u>484,056</u>

Margin account represents the margin deposit amount held with a broker.

## 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 2018

#### 12. Financial ratios

	Class SGD A Dis	Class SGD I Acc	2018 Class SGD M Acc	Class SGD A Acc	Class USD A Acc
Expense ratio <sup>1</sup>	1.33%	0.12%	0.49%	1.31%	1.28%
				2 Feb 2017 (date of inception) to 31 Dec 2017 (annualised)	
	Class SGD A Dis	2017 Class SGD I Acc	Class SGD M Acc	Class SGD A Acc	Class USD A Acc
Expense ratio <sup>1</sup>	1.33%	0.13%	0.50%	1.31%	1.28%
		<b>2018 Fund</b>		<b>2017 Fund</b>	
Turnover ratio <sup>2</sup>		<b>11.07%</b>		<b>12.91%</b>	

<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 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.

Expense ratio calculations	Class SGD A Dis	Class SGD I Acc	2018 Class SGD M Acc	Class SGD A Acc	Class USD A Acc
	\$	\$	\$	\$	\$
Total operating expenses	6,443,338	34,985	1,197,807	858,057	4,974
Average net asset value	485,755,675	28,070,336	244,645,406	65,506,833	388,690
				2 Feb 2017 (date of inception) to 31 Dec 2017 (annualised)	
Expense ratio calculations	Class SGD A Dis	2017 Class SGD I Acc	Class SGD M Acc	Class SGD A Acc	Class USD A Acc
	\$	\$	\$	\$	\$
Total operating expenses	6,287,840	27,203	1,177,780	674,688	3,558
Average net asset value	471,872,573	20,966,971	237,812,716	51,483,268	277,463

## 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 2018

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#### 12. Financial ratios (continued)

- <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	2018		2017	
	Fund		Fund	
	\$		\$	
Lower of purchases or sales	<b>91,290,528</b>	<b>(purchases)</b>	100,446,332	(purchases)
Average net asset value	<b>824,366,940</b>		778,037,369	

## REPORT TO UNITHOLDERS

31 December 2018

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

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

	Fair value \$	Percentage of total net assets attributable to unitholders %
Oversea-Chinese Banking Corp Ltd	124,712,630	16.40
DBS Group Hldg Ltd	123,733,154	16.27
United Overseas Bank Ltd	100,333,118	13.19
Singapore Telecommunications Ltd	68,182,682	8.97
Keppel Corp Ltd	38,965,221	5.12
CapitalLand Ltd	32,234,839	4.23
City Developments Ltd	20,778,544	2.73
Frasers Logistics & Industrial Trust	18,765,992	2.47
Hongkong Land Hldg Ltd	18,528,813	2.44
CapitalLand Mall Trust	16,622,752	2.19

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

	Fair value \$	Percentage of total net assets attributable to unitholders %
DBS Group Hldg Ltd	140,981,803	16.85
Oversea-Chinese Banking Corp Ltd	128,152,223	15.32
United Overseas Bank Ltd	109,655,405	13.11
Singapore Telecommunications Ltd	79,376,237	9.49
CapitalLand Ltd	43,713,755	5.23
Keppel Corp Ltd	41,606,145	4.97
UOL Group Ltd	27,644,233	3.30
City Developments Ltd	24,560,761	2.94
Mapletree Industrial Trust	21,763,762	2.60
Hongkong Land Hldg Ltd	20,301,135	2.43

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 13.

## REPORT TO UNITHOLDERS

31 December 2018

2. The Fund has the following exposure to financial derivatives as at 31 December 2018:

	Fair value \$	Percentage of total net assets attributable to unitholders %
Contracts:		
Spot foreign exchange	(3,350)	(*)

\* Less than 0.01

The net loss on financial derivatives realised in the period 1 January 2018 to 31 December 2018 amounted to S\$8,403.

The net loss on outstanding financial derivatives marked to market as at 31 December 2018 amounted to S\$3,350.

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	159,334,209
Redemptions	157,858,885

5. Expense Ratio

### Class SGD A Distribution

1 January 2018 to 31 December 2018 1.33%

1 January 2017 to 31 December 2017 1.33%

### Class SGD A Accumulation

1 January 2018 to 31 December 2018 1.31%

2 February 2017 (date of inception) to 31 December 2017 (annualised) 1.31%

### Class USD A Accumulation

1 January 2018 to 31 December 2018 1.28%

2 February 2017 (date of inception) to 31 December 2017 (annualised) 1.28%

## REPORT TO UNITHOLDERS

31 December 2018

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### Class SGD I Accumulation

1 January 2018 to 31 December 2018 0.12%

1 January 2017 to 31 December 2017 0.13%

### Class SGD M Accumulation

1 January 2018 to 31 December 2018 0.49%

1 January 2017 to 31 December 2017 0.50%

### 6. Turnover of Portfolio

1 January 2018 to 31 December 2018 11.07%

1 January 2017 to 31 December 2017 12.91%

### 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.

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

## REPORT TO UNITHOLDERS

31 December 2018

### 9. Performance of Fund for periods ended 31 December 2018

	<b>3 mths</b>	<b>6 mths</b>	<b>1 yr</b>	<b>3 yrs*</b>	<b>5 yrs*</b>	<b>10 yrs*</b>	<b>Since Launch**</b>
Class SGD A							
Distribution	-6.5%	-5.4%	-7.4%	5.3%	3.2%	8.8%	7.8%
Benchmark**	-6.9%	-4.7%	-7.6%	6.2%	2.7%	8.8%	4.4%
Class SGD A							
Accumulation	-6.5%	-5.3%	-7.4%	-	-	-	4.2%
Benchmark**	-6.9%	-4.7%	-7.6%	-	-	-	4.5%
Class USD A							
Accumulation	-6.3%	-5.3%	-9.1%	-	-	-	6.3%
Benchmark**	-6.7%	-4.7%	-9.4%	-	-	-	6.6%
Class SGD I							
Accumulation	-6.2%	-4.8%	-6.3%	21.1%	24.5%	163.4%	119.2%
Benchmark**	-6.9%	-4.7%	-7.6%	19.7%	14.0%	132.0%	82.6%
Class SGD M							
Accumulation	-6.3%	-4.9%	-6.6%	19.7%	22.1%	-	55.7%
Benchmark**	-6.9%	-4.7%	-7.6%	19.7%	14.0%	-	34.3%

\* Returns of more than 1 year are annualised

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

\*\* Benchmark: The Fund's benchmark was changed from the DBS CPF Index to the MSCI Singapore Free Index from 1 August 1998.

Source: Schroders, class currency, bid to bid, net income reinvested.

