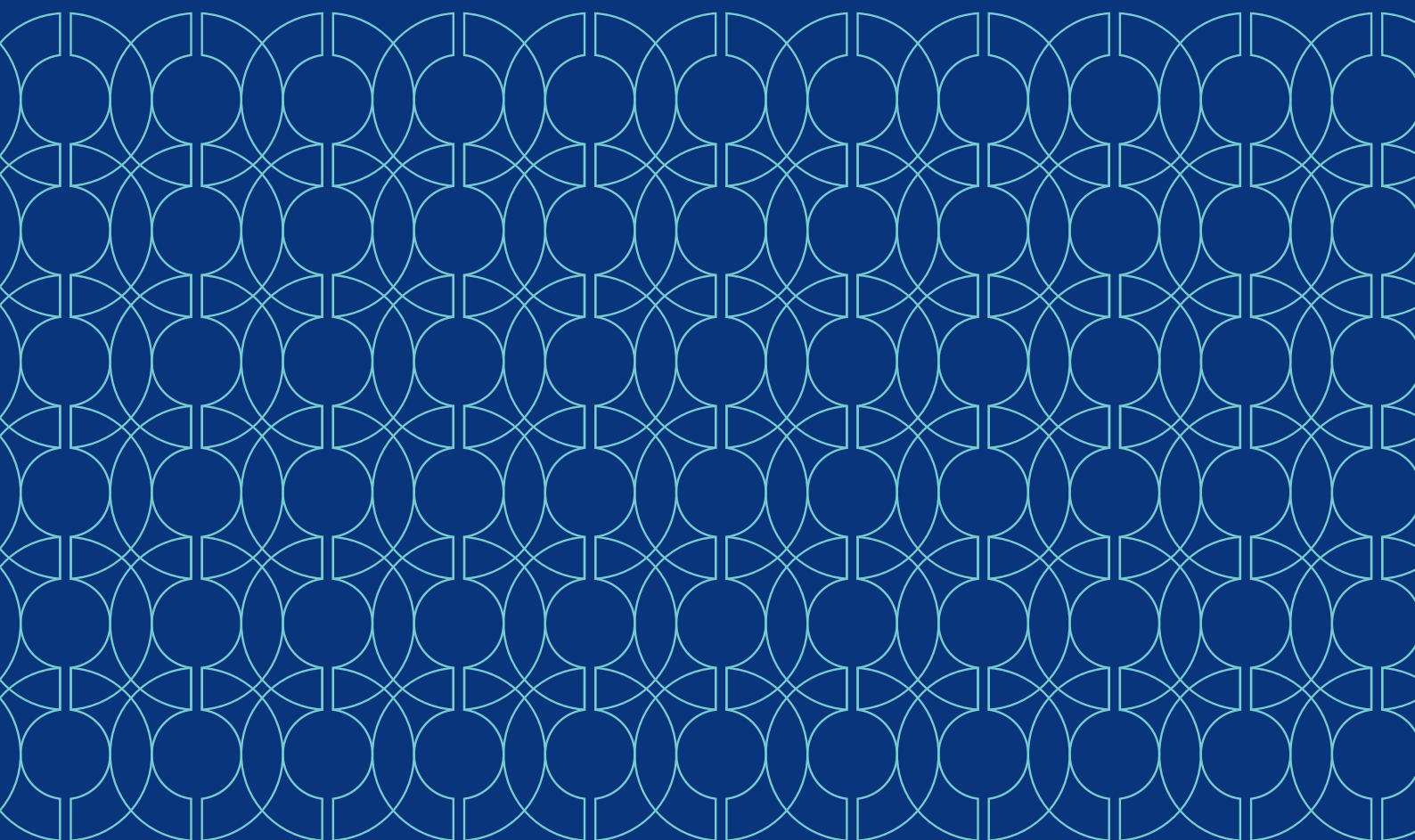


**Schroders**

**SCHRODER BIC FUND**

**Semi-Annual Report & Financial Statements**

**June 2023**



**SCHRODER BIC FUND**

*(Formerly known as Schroder BRIC Fund)*

*(a sub-fund of Schroder International Opportunities Portfolio)*

*Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006*

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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**

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.00019.SF.702

## **SCHRODER BIC FUND**

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### **COMMENTARY**

#### **Fund performance**

The Fund generated a negative return in US dollar terms and underperformed the MSCI BIC Index over the six month period before fees.

Country allocation added to returns. The overweight to Brazil was beneficial, outweighing the underweight to India, which weighed on returns.

Stock selection was negative overall, driven by China (overweight **JD.com** and **LONGi Green Energy**). It was positive in Brazil (zero-weight Vale, overweight **Raia Drogasil**) and India (zero-weight Adani Total Gas and Infosys).

During the period the Fund disposed of some Russian offshore holdings that had previously been valued at zero. This had a small positive impact.

#### **Market performance**

BIC equities fell over the 6-month period. The year started off on a positive note driven by optimism about China's re-opening, following the earlier and more comprehensive than expected relaxation of the dynamic zero-COVID policy in late 2022. However, sentiment deteriorated as 2023 progressed. US-China tensions re-escalated, a banking crisis was narrowly avoided as investors lost confidence in US and European banks, central banks continued to raise interest rates, and the recovery in China appeared weaker than expected.

China lagged the index by some way, amid concerns about its anaemic economic recovery, ongoing US-China tensions, and as the prospects for global growth negatively impacted export demand.

Despite allegations of fraud and share price manipulation at a major conglomerate early in 2023, India outperformed. Improved macroeconomic data and signs that accommodative monetary policy will be ongoing were supportive.

Brazil was ahead of the index amid easing fiscal policy concerns and growing optimism that monetary policy easing is imminent.

## **SCHRODER BIC FUND**

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### **Outlook**

Signs of a slowdown in global growth continue to feed through, as the lagged impact of monetary policy tightening from major central banks impacts. Headline global inflation is falling, but the extent to which this converges towards central bank targets remains unclear and uncertainty persists around the outcomes for growth this year and in 2024. Disinflation is projected to continue, underpinned by base effects, lower energy and food prices, lower tradable goods prices, and as the effects of policy tightening comes through. US labour market data has remained relatively firm though, and the economy continues to add jobs at the same time as disinflation comes through. As a result, the Federal Reserve (Fed) is increasingly expected to hike rates again in July, with further tightening not out of the question. This outlook could support the US dollar, at least on a short term basis.

China's economy is rebounding but softness in several indicators has raised questions about the strength of the recovery. Confidence is fragile, due to COVID scarring with lower income groups having run down savings, and ongoing weakness in labour markets and in the real estate sector. While high frequency data provides mixed signals, it is clear that economic growth remains imbalanced. This has created speculation around the potential for stimulus measures. While the government may well take steps to improve confidence, we do not expect a major stimulus announcement at this point. Meanwhile, geopolitical tensions with the US continue to overshadow the outlook. The US administration has shown willingness to improve communications, though this is yet to bear fruit.

The Brazilian economy is coming out of a prolonged period of very high interest rates, coupled with high household leverage. Fiscal policy has improved and the inflation is now coming down, which should allow the central bank to start easing rates. A meaningful easing cycle is likely to support the economy and equity markets.

Looking into 2024, El Nino is a risk to monitor. For now, uncertainty over the Fed policy outlook lingers on, but should we see greater confidence that US rates are at peak, together with a weaker US dollar, this would ease pressure on financial conditions in BIC.

June 2023

**SCHRODER BIC FUND***(Formerly known as Schroder BRIC Fund)**(a sub-fund of Schroder International Opportunities Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006***STATEMENT OF TOTAL RETURN***For the financial period ended 30 June 2023 (Unaudited)*

|  | 30 Jun 2023      | 30 Jun 2022         |
|--|------------------|---------------------|
|  | \$               | \$                  |
| <b>Expenses</b>  |                  |                     |
| Trustee fees   | 11,158           | 13,097              |
| Valuation fees   | 4,325            | 5,167               |
| Audit fees   | 7,330            | 7,289               |
| Transaction costs  | 46               | 32                  |
| Others   | 21,934           | 12,078              |
|  | <b>44,793</b>    | <b>37,663</b>       |
| <b>Net expense</b>   | <b>(44,793)</b>  | <b>(37,663)</b>     |
| <b>Net gains or losses on value of investments and financial derivatives</b> |                  |                     |
| Net losses on investments  | (575,526)        | (10,067,030)        |
| Net (losses)/gains on spot foreign exchange contracts                        | (2,929)          | 248                 |
| Net foreign exchange gains/(losses)  | 2,083            | (986)               |
|  | <b>(576,372)</b> | <b>(10,067,768)</b> |
| <b>Total deficit for the period</b>  | <b>(621,165)</b> | <b>(10,105,431)</b> |

**SCHRODER BIC FUND***(Formerly known as Schroder BRIC Fund)**(a sub-fund of Schroder International Opportunities Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006***STATEMENT OF FINANCIAL POSITION***As at 30 June 2023 (Unaudited)*

|  | <b>30 Jun 2023</b> | <b>31 Dec 2022</b> |
|--|--------------------|--------------------|
|  | <b>\$</b>          | <b>\$</b>          |
| <b>ASSETS</b>                          |                    |                    |
| Portfolio of investments               | <b>43,230,367</b>  | 44,840,381         |
| Bank balances                          | <b>251,751</b>     | 518,390            |
| Receivables                            | <b>9,945</b>       | 5,130              |
| <b>Total assets</b>                    | <b>43,492,063</b>  | 45,363,901         |
| <b>LIABILITIES</b>                     |                    |                    |
| Payables                               | <b>31,473</b>      | 39,822             |
| <b>Total liabilities</b>               | <b>31,473</b>      | 39,822             |
| <b>EQUITY</b>                          |                    |                    |
| Net assets attributable to unitholders | <b>43,460,590</b>  | 45,324,079         |

**SCHRODER BIC FUND***(Formerly known as Schroder BRIC Fund)**(a sub-fund of Schroder International Opportunities Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006***STATEMENT OF MOVEMENTS OF UNITHOLDERS' FUNDS***For the financial period ended 30 June 2023 (Unaudited)*

|   | 30 Jun 2023<br>\$ | 31 Dec 2022<br>\$ |
|---|-------------------|-------------------|
| <b>Net assets attributable to unitholders<br/>at the beginning of the financial period/year</b>           | <b>45,324,079</b> | 61,509,152        |
| <b>Operations</b>   |                   |                   |
| Change in net assets attributable to unitholders<br>resulting from operations                             | (621,165)         | (14,259,348)      |
| <b>Unitholders' contributions/(withdrawals)</b>   |                   |                   |
| Creation of units   | 337,764           | 1,130,783         |
| Cancellation of units   | (1,580,088)       | (3,056,508)       |
| Change in net assets attributable to unitholders<br>resulting from net creation and cancellation of units | (1,242,324)       | (1,925,725)       |
| Total decrease in net assets attributable to unitholders  | (1,863,489)       | (16,185,073)      |
| <b>Net assets attributable to unitholders<br/>at the end of the financial period/year</b>                 | <b>43,460,590</b> | 45,324,079        |

**SCHRODER BIC FUND***(Formerly known as Schroder BRIC Fund)**(a sub-fund of Schroder International Opportunities Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006***STATEMENT OF PORTFOLIO***As at 30 June 2023 (Unaudited)***Primary**

|              | Holdings<br>at<br>30 Jun 2023 | Fair value<br>at<br>30 Jun 2023<br>\$ | Percentage<br>of total net<br>assets<br>attributable<br>to<br>unitholders<br>at<br>30 Jun 2023<br>% |
|--------------|-------------------------------|---------------------------------------|---|
| By geography |                               |                                       |   |

**Quoted****Collective investment scheme****LUXEMBOURG**

(country of domicile)

Schroder Intl Selection Fund

- BIC (Brazil, India, China)

A Accumulation Share Class

**Portfolio of investments****Other net assets****Net assets attributable to unitholders**

|                |                   |               |
|----------------|-------------------|---------------|
| <b>148,353</b> | <b>43,230,367</b> | <b>99.47</b>  |
|                | <b>43,230,367</b> | <b>99.47</b>  |
|                | <b>230,223</b>    | <b>0.53</b>   |
|                | <b>43,460,590</b> | <b>100.00</b> |



**SCHRODER BIC FUND***(Formerly known as Schroder BRIC Fund)**(a sub-fund of Schroder International Opportunities Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006***STATEMENT OF PORTFOLIO***As at 30 June 2023 (Unaudited)***Primary** (continued)

|   | <b>Percentage<br/>of total net<br/>assets<br/>attributable<br/>to<br/>unitholders<br/>at<br/>30 Jun 2023<br/>%</b> | <b>Percentage<br/>of total net<br/>assets<br/>attributable<br/>to<br/>unitholders<br/>at<br/>31 Dec 2022<br/>%</b> |
|---|--|--|
| <b>By geography (summary)</b>                 |  |  |
| <b>Quoted</b>                                 |  |  |
| Luxembourg                                    | <b>99.47</b>   | 98.93  |
| <b>Portfolio of investments</b>               | <b>99.47</b>   | 98.93  |
| <b>Other net assets</b>                       | <b>0.53</b>  | 1.07   |
| <b>Net assets attributable to unitholders</b> | <b>100.00</b>  | 100.00   |

As the Fund invests wholly into an underlying collective investment scheme, it is not meaningful to show any secondary segmentation analysis.

**SCHRODER BIC FUND***(Formerly known as Schroder BRIC Fund)**(a sub-fund of Schroder International Opportunities Portfolio)**Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006***UNITS IN ISSUE***For the financial period ended 30 June 2023 (Unaudited)*


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|  | <b>30 Jun 2023</b> | <b>31 Dec 2022</b> |
|--|--------------------|--------------------|
|  | <b>Units</b>       | <b>Units</b>       |
| At the beginning of the financial period/year          | <b>32,613,370</b>  | 33,874,340         |
| Created  | <b>243,529</b>     | 705,619            |
| Cancelled  | <b>(1,144,558)</b> | (1,966,589)        |
| At the end of the financial period/year                | <b>31,712,341</b>  | 32,613,370         |
|  | <b>\$</b>          | <b>\$</b>          |
| <b>Net assets attributable to unitholders</b>          | <b>43,460,590</b>  | 45,324,079         |
| <b>Net assets attributable to unitholders per unit</b> | <b>1.37</b>        | 1.39               |

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## SCHRODER BIC FUND

(Formerly known as Schroder BRIC Fund)

(a sub-fund of Schroder International Opportunities Portfolio)

Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006

### FINANCIAL RATIOS

For the financial period ended 30 June 2023 (Unaudited)

|  | 30 Jun 2023 | 30 Jun 2022 |
|--|-------------|-------------|
| Expense ratio <sup>1</sup> (excluding underlying fund's unaudited expense ratio) | 0.15%       | 0.12%       |
| Expense ratio <sup>2</sup> (including underlying fund's unaudited expense ratio) | 2.00%       | 1.96%       |
| Turnover ratio <sup>3</sup>  | -           | -           |

- <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 value 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. 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 value is based on the daily balances.

| Expense ratio calculations | 30 Jun 2023 | 30 Jun 2022 |
|----------------------------|-------------|-------------|
|                            | \$          | \$          |
| Total operating expenses   | 70,337      | 75,783      |
| Average net asset value    | 45,513,131  | 61,340,187  |

- <sup>2</sup> The expense ratio is the sum of the Fund's expense ratio and the underlying fund's unaudited expense ratio. The unaudited expense ratio of the underlying fund, a Luxembourg domiciled fund, is obtained from Schroder Investment Management (Europe) SA. There is no requirement for the expense ratio of this Luxembourg domiciled fund to be published or audited.
- <sup>3</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 | 30 Jun 2023   | 30 Jun 2022   |
|-----------------------------|---------------|---------------|
|                             | \$            | \$            |
| Lower of purchases or sales | - (purchases) | - (purchases) |
| Average net asset value     | 44,690,956    | 53,692,935    |

## REPORT TO UNITHOLDERS

30 June 2023

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

1. The only security holding of the Fund as at 30 June 2023:

|  | <b>Fair value<br/>\$</b> | <b>Percentage<br/>of total net<br/>assets<br/>attributable<br/>to<br/>unitholders<br/>%</b> |
|--|--------------------------|---|
| Schroder Intl Selection Fund<br>- BIC (Brazil, India, China)<br>A Accumulation Share Class | 43,230,367               | 99.47   |

The only security holding of the Fund as at 30 June 2022:

|  | <b>Fair value<br/>\$</b> | <b>Percentage<br/>of total net<br/>assets<br/>attributable<br/>to<br/>unitholders<br/>%</b> |
|--|--------------------------|---|
| Schroder Intl Selection Fund<br>- BIC (Brazil, India, China)<br>A Accumulation Share Class | 49,958,367               | 99.42   |

The Fund was not invested in other unit trusts, mutual funds or collective investment schemes as at 30 June 2023 other than as stated in the Statement of Portfolio.

2. The Fund did not have any exposure to financial derivatives as at 30 June 2023.
3. The Fund did not have any borrowings as at 30 June 2023.
4. The amount of subscriptions and redemptions in the period 1 January 2023 to 30 June 2023 were as follows:

|               | <b>\$</b> |
|---------------|-----------|
| Subscriptions | 337,764   |
| Redemptions   | 1,580,088 |

5. Expense Ratio (including underlying fund)

|                             |       |
|-----------------------------|-------|
| 1 July 2022 to 30 June 2023 | 2.00% |
| 1 July 2021 to 30 June 2022 | 1.96% |

## REPORT TO UNITHOLDERS

30 June 2023

### 6. Turnover of Portfolio

|                                |   |
|--------------------------------|---|
| 1 January 2023 to 30 June 2023 | - |
| 1 January 2022 to 30 June 2022 | - |

### 7. Soft dollar commissions/arrangements:

The Fund invests substantially into the underlying fund. In the management of the underlying fund, the manager may enter into soft dollar commission arrangements only where there is a direct and identifiable benefit to their clients, and where the manager is satisfied that the transactions generating the soft dollar commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the underlying fund on terms commensurate with best market practice.

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

### 8. Related Party Transactions

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 payable by the Fund to the Manager is currently waived by the Manager. The registration fees payable by the Fund to the Registrar has been waived by the Registrar. The trustee fees and valuation fees charged by the HSBC Group are shown in the Statement of Total Return.

With effect from 18 April 2023, the Fund and the underlying fund for Schroder BRIC Fund and Schroder International Selection Fund BRIC (Brazil, Russia, India, China) were changed to Schroder BIC Fund and Schroder International Selection Fund BIC (Brazil, India, China) respectively.

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

|                  | 30 Jun 2023    | 31 Dec 2022    |
|------------------|----------------|----------------|
|                  | \$             | \$             |
| Current accounts | <u>251,751</u> | <u>518,390</u> |

In addition to the above, the respective management fees are chargeable by:

- i) Schroder Investment Management (Europe) SA as Management Company of the following underlying fund:

| Underlying fund                    | Per annum of<br>Net Asset Value |
|------------------------------------|---------------------------------|
| Schroder Intl Selection Fund       |                                 |
| - BIC (Brazil, India, China) A Acc | 1.500%                          |

## REPORT TO UNITHOLDERS

30 June 2023

### 9. Performance of Fund for periods ended 30 June 2023

|             | 3<br>mths | 6<br>mths | 1<br>yr | 3<br>yrs* | 5<br>yrs* | 10<br>yrs* | Since<br>Launch** |
|-------------|-----------|-----------|---------|-----------|-----------|------------|-------------------|
| Fund        | -0.4%     | -1.4%     | -9.6%   | -6.6%     | -2.6%     | 3.1%       | 1.8%              |
| Benchmark** | 0.6%      | 0.5%      | -7.9%   | -4.8%     | -1.8%     | 3.3%       | 2.3%              |

\* Returns of more than 1 year are annualised

# Since launch figures from 16 February 2006

\*\* Benchmark: The benchmark of the Fund was changed from the MSCI BRIC (Net TR) index to the MSCI BIC (Net TR) 10/40 index on 5 May 2021.

Source

Fund: Morningstar (\$, bid to bid, net income reinvested, net of fees)

Benchmark: Schroders (\$)

### 10. The Fund invests more than 30% of its assets in Schroder International Selection Fund - BIC (Brazil, India, China) A Accumulation Share Class. The following are the key information on the underlying fund:

#### i. Top 10 holdings as at 30 June 2023:

|                                 | Market value<br>US\$ | Percentage<br>of total net<br>assets<br>% |
|---------------------------------|----------------------|---|
| Tencent Hldg Ltd                | 50,160,005           | 9.58                                      |
| Alibaba Group Hldg Ltd          | 30,734,784           | 5.87                                      |
| Tata Consultancy Services Ltd   | 20,891,275           | 3.99                                      |
| ICICI Bank Ltd                  | 18,535,117           | 3.54                                      |
| HDFC Bank Ltd                   | 17,854,448           | 3.41                                      |
| Reliance Industries Ltd         | 15,445,930           | 2.95                                      |
| Apollo Hospitals Enterprise Ltd | 13,613,362           | 2.60                                      |
| Axis Bank Ltd                   | 12,670,899           | 2.42                                      |
| Banco Bradesco SA               | 12,618,540           | 2.41                                      |
| Itau Unibanco Hldg SA           | 11,257,204           | 2.15                                      |

## REPORT TO UNITHOLDERS

30 June 2023

Top 10 holdings as at 30 June 2022:

|                                      | Market value<br>US\$ | Percentage<br>of total net<br>assets<br>% |
|--------------------------------------|----------------------|---|
| Tencent Hldg Ltd                     | 54,430,211           | 9.03                                      |
| Alibaba Group Hldg Ltd               | 38,396,505           | 6.37                                      |
| JD.com Inc                           | 28,089,123           | 4.66                                      |
| Tata Consultancy Services Ltd        | 27,004,136           | 4.48                                      |
| ICICI Bank Ltd                       | 23,628,619           | 3.92                                      |
| Reliance Industries Ltd              | 22,001,137           | 3.65                                      |
| China Mengniu Dairy Co Ltd           | 16,636,476           | 2.76                                      |
| Yum China Hldg Inc                   | 16,636,476           | 2.76                                      |
| Baidu Inc                            | 16,515,922           | 2.74                                      |
| LONGi Green Energy Technology Co Ltd | 16,335,091           | 2.71                                      |

### ii. Expense Ratio

1 July 2022 to 30 June 2023 1.86%

1 July 2021 to 30 June 2022 1.85%

Brokerage and other transaction costs, performance fees, interest expense, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds, tax deducted at source or arising out of income received and dividends paid to unitholders are not included in the expense ratio.

### iii. Turnover of Portfolio

1 July 2022 to 30 June 2023 45.48%

1 July 2021 to 30 June 2022 30.85%

