Schroder Oriental Income Fund Limited

Half Year Report and Accounts for the six months ended 28 February 2021

Investment objective

The investment objective of the Company is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields.

Investment policy

The investment policy of the Company is to invest in a diversified portfolio of investments, primarily equities and equity-related investments, of companies which are based in, or derive a significant proportion of their revenues from, the Asia Pacific region. The portfolio is diversified across a number of industries and a number of countries in that region. The portfolio may include government, quasi-government, corporate and high yield bonds and preferred shares.

Equity-related investments which the Company may hold include investments in other collective investment undertakings (including real estate investment trusts and related stapled securities), warrants, depositary receipts, participation certificates, guaranteed performance bonds, convertible bonds, other debt securities, equity-linked notes and similar instruments (whether or not investment grade) which give the Company access to the performance of underlying equity securities, particularly where the Company may be restricted from directly investing in such underlying equity securities or where the Manager considers that there are benefits to the Company in holding such investments instead of directly holding the relevant underlying equity securities. Such investments may be listed or traded outside the Asia Pacific region. Such investments may subject the Company to credit risk against the issuing entity. The Company may also participate, subject to regulatory and tax implications, in debt-to-equity conversion programmes.

The Manager may consider writing calls over some of the Company's holdings, as a low risk way of enhancing the returns from the portfolio, although it has not written any to date. The Company may only invest in derivatives for the purposes of efficient portfolio management. The Board has set a limit such that covered calls cannot be written over portfolio holdings representing in excess of 15% of gross assets. Investors should note that the types of equity-related investments listed above are not exhaustive of all of the types of securities and financial instruments in which the Company may invest, and the Company will retain the flexibility to make any investments unless these are prohibited by the investment restrictions applicable to the Company.

Although the Company has the flexibility to invest in bonds and preferred shares as described above, the intention of the directors is that the assets of the Company which are invested (that is to say, which are not held in cash, money funds, debt securities, interest bearing gilts or treasuries) will predominantly comprise Asia Pacific equities and equity-related investments.

Contents

Financial Highlights

Total returns for the six months ended 28 February 2021[1]

+20.6%

Net asset value ("NAV") total return per share

+19.8%

Share price total return

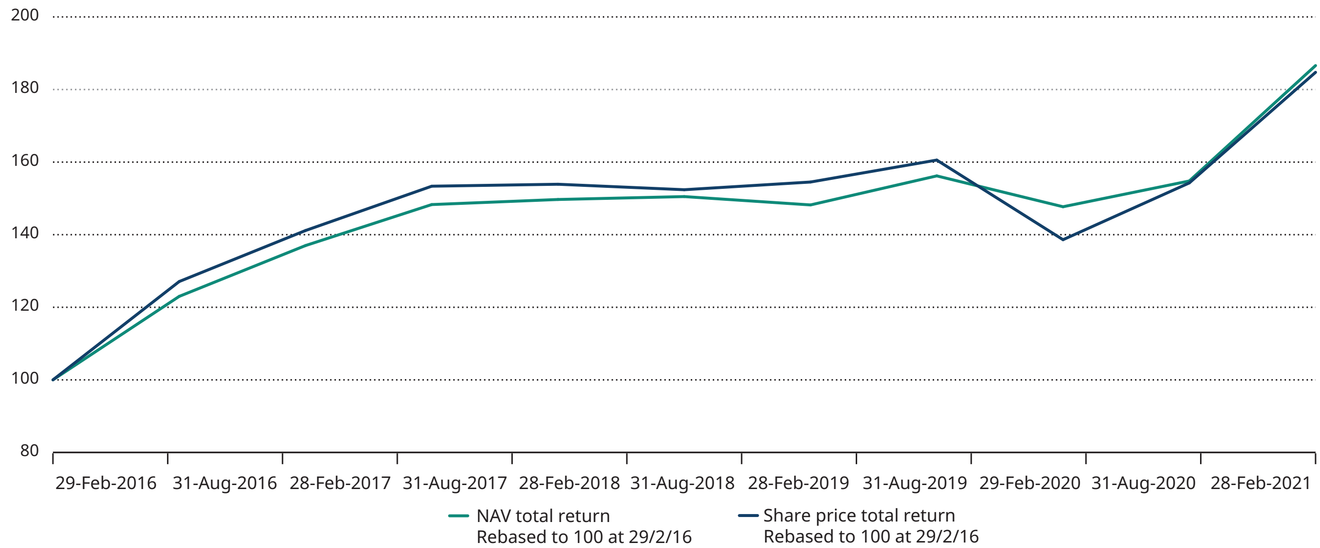
[1]Source: Morningstar. Total returns measure the combined effect of any dividends paid, together with the rise or fall in the share price or NAV per share. Total return statistics enable the investor to make performance comparisons between investment companies with different dividend policies. Any dividends received by a shareholder are assumed to have been reinvested in either additional shares of the Company at the time the shares were quoted ex-dividend (to calculate the share price total return) or in the assets of the Company at its NAV per share (to calculate the NAV per share total return).

Other financial information

	28 February 2021	31 August 2020	% Change
Shareholders' funds (£'000)	**755,853**	646,699	+16.9
NAV per share (pence)	**281.78**	239.28	+17.8
Share price (pence)	**272.00**	233.00	+16.7
Share price (discount)/premium to NAV per share (%)	**(3.5)**	(2.6)	
Gearing (%)[1]	**3.9**	4.0	

[1]Borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

NAV and share price total return over five years to 28 February 2021



Interim Management Report – Chairman's Statement

I am delighted to present my first statement as Chairman of Schroder Oriental Income Fund Limited.

The six months to 28 February 2021 were marked by a continuation of the strong rally from the low in equity markets in March last year and, indeed, as I write this, that rally continues unabated. The picture, however, is more complex than headline indices might suggest. Under the surface of markets there has been the beginning of a rotation from "growth" towards "value". I use these market-convention terms loosely because I am not convinced that they describe accurately the process itself or its impact upon the Company. For a number of years, the Company faced a headwind: much of the strength of broad stock markets was derived from a very narrow group of technology related names. This was especially the case in the Chinese market with the meteoric rise of Tencent, Baidu, Alibaba and others. These stocks do not have a natural home in the Company's portfolio because of their limited dividends (and in some cases a lack of earnings). Our performance had been more than creditable with this back drop. But, fundamentally, the Company would always face a challenge in keeping up with indices driven by extreme outperformance of a few technology names.

Since November, as vaccine news improved and the extent of US fiscal stimulus became clear after the US election, sentiment towards a broad economic recovery has improved. As a result, a rotation has started, away from this narrow grouping and towards sectors where the Company's approach to identify strong balance sheets, sustainable dividend growth and robust business models means we are more heavily represented.

Accordingly, I am pleased to be able to report a period of both strong absolute and strong relative performance. The Company does not have a formal benchmark and the Investment Manager is not shackled in any way to the composition of the broad Asian indices. Their freer thinking approach has served shareholders well for many years. Nonetheless, to have a reference point to help judge the outcome is always useful. During the six month period, the Company generated a total return of 20.6% vs the MSCI AC Pacific ex Japan index return of 16.7%. Similarly, our performance against our peers was pleasing.

The Company's share price slipped to a discount to Net Asset Value ("NAV") last spring. The board believes that it is important that the Company be as willing to repurchase shares at appropriate moments as it is to issue when the share price is at a premium. Accordingly, on occasions when there was a clear imbalance in the market for the Company's shares, we were happy to repurchase shares and during the six month period we repurchased 2,025,000 shares at an average discount to NAV of 5.7%. More recently, the share price has moved to within touching distance of the NAV and I hope that when I next write to you I will be able to report that we are back to NAV or at a small premium, which has been the long term position of the Company.

During the six month period, the Company declared two interim dividends, totalling 3.8p, the same as last year. Asian economies have, generally, shown remarkable resilience as the pandemic has progressed and recent growth numbers from China have been very strong. That said, it was inevitable that regional earnings and dividends would come under some pressure. The Company used a modest amount of its revenue reserves during 2020. It seems entirely sensible, when you have built reserves over many years for a rainy day, to use some of them when you need to keep dry. If needed, we will do the same again in 2021 to deal with any timing issues as dividend growth may not resume meaningfully for some months yet. However, absent an unexpected deterioration, the outlook for earnings in the region looks strong over the coming years and this further underpins the investment case for the Company. Indeed, the value of Asia as a diversifying source of income to investors has been demonstrated once again, with Asian dividends proving much more resilient than UK dividends.

As many of you will be aware, at the turn of 2021 Matthew Dobbs retired from leading the management of the Company's portfolio. Matthew was a pioneer in foreseeing the opportunity to invest in Asia for income some 16 years ago. In that time, drawing upon the strength and depth of Schroder's analysts in the region, he helped the Company build an enviable track record of capital growth and dividend growth. I would like to reiterate my predecessor's thanks to Matthew. I have no doubt that Richard Sennitt, who worked alongside Matthew for 13 years, and Abbas Barkhordar will bring their own stamp to the Company's management in the future. But the essential ingredients and approach remain the same and as attractive as ever. Schroder's insight in the region remains preeminent and the opportunity for active fund management to deliver value remains superior to Europe or North America. In 2005, when the Company launched, Asia represented less than a fifth of global GDP. Today, it represents around one third. The long term prospects for investing in the region and earning growing income from the best companies remains undimmed.

Interim Management Report – Chairman's Statement

One significant change that has occurred in those 16 years, however, is the increasing investor focus on environmental, social and governance (ESG) issues in investing. Despite expectations to the contrary, the pandemic has sharpened rather than diminished the focus on ESG in investors' minds. I believe that there is no need for investors to purchase dedicated ESG funds, with their inherent issues, to benefit from a focus on good governance, social outcomes and environmental sustainability. At Schroders, ESG has long been instinctive and interwoven into day to day investment decision making. That said, I do think that it is beholden on us to explain this better to our shareholders in future and I anticipate that we will do this more clearly and effectively going forward.

I noted earlier the shift from "growth" investing back towards a "value" style which should, once again, put the wind behind our back. Whether this trend will persist will depend upon continued and sustainable economic recovery. This seems probable, even if equity markets may have already anticipated the first leg of this recovery. Despite the extent of the recent rotation towards value, in reality it has barely begun to turn the multi-year cycle that prevailed before. This trend could have much further to run. Equity markets in the short term may benefit from a pause that refreshes and there is always the likelihood of volatility with the asset class. But this is unlikely to diminish the benefits of the strong balance sheets and robust earnings that underpin our own returns to shareholders. The prospect remains for further capital gains alongside a robust income distribution from the Company.

I look forward to reporting to you again in the autumn with the annual financial statements but my colleagues and I on the board always welcome any questions or observations that you may have in the meantime. If you would like to get in touch, please do contact us at amcompanysecretary@schroders.com.

Paul Meader
Chairman

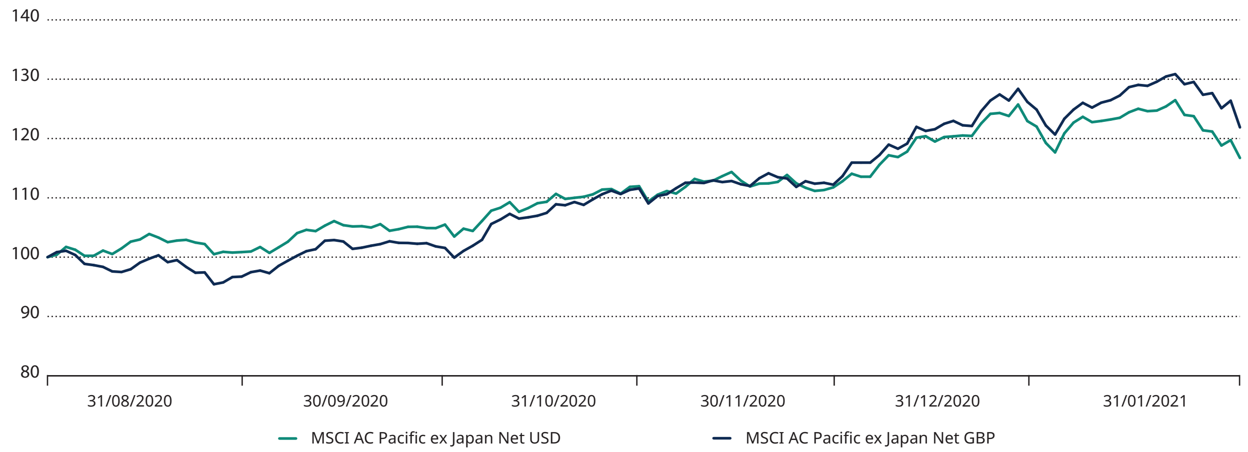
4 May 2021

Interim Management Report – Manager's Review

The net asset value per share of the company recorded a total return of +20.6% over the six months to end February 2021. Two interim dividends have been declared totalling 3.80p (3.80p last year).

As the chart below illustrates, equity markets made strong progress through the latter part of last year and

Performance of the MSCI AC Pacific ex Japan Net Dividends Reinvested Index in GBP and USD – 31 August 2020 to 29 February 2021

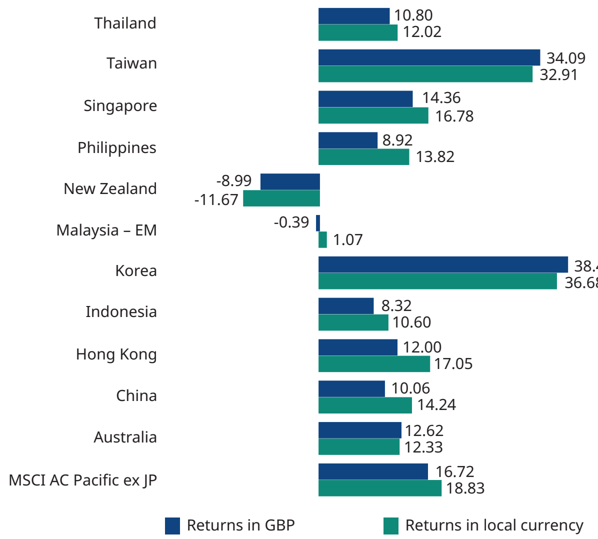


the start of 2021, buoyed by improving export data, strong liquidity, a weakening dollar and progress on the development of a number of vaccines for COVID-19. This was accompanied by a wider range of stocks seeing positive earnings revisions, which subsequently saw market returns start to broaden out, having previously been heavily dominated by a relatively narrow set of growth stocks.

North Asia continued to manage the COVID crisis well whilst many economies across Europe and the Americas experienced second waves. A number of these economies saw renewed lockdowns whereas economies such as China started to normalise with domestic growth recovering in addition to the strong export recovery. Although the run up to the US election saw increased tensions between China and the US over a wide range of issues, the new US administration added fuel to the global recovery with hopes of increased fiscal stimulus. This in turn saw long bond yields start to move up which periodically started to unsettle markets.

Sector returns across the region reflected the rotation in the markets that has been seen globally and was particularly marked from November following the vaccine news and hopes for more fiscal stimulus following the US election, which raised expectations for a stronger global recovery. Defensive bond like names in sectors such as utilities, consumer staples and health care lagged as growth expectations picked up and rising long bond yields impacted valuations. The areas seen as the bigger beneficiaries of recovering global growth and the move up in interest rates, including information technology, materials and some financials, outperformed. Beneficiaries of pandemic-related restrictions being eased still found life tough given the flare-ups of COVID seen regionally and more sustained waves globally.

Country returns of the MSCI AC Pacific ex Japan Net Dividends Reinvested Index in GBP and local currency – 31 August 2020 to 28 February 2021



Source: Schroders, Factset.

The spread of returns across the regional markets continued to be high with technology-heavy Korea and Taiwan both up over 30% for the period, benefiting from upward earnings revisions driven by ongoing strong export demand for semiconductors and technology products. These were the only two markets that outperformed the index return over the period. The Chinese market started the period robustly as growth names did well but faded after the e-commerce platform names came under increased regulatory scrutiny into their market positioning as well as investors regionally starting to rotate out of some of the more thematic growth names that had performed strongly. ASEAN markets continued to lag hampered by a lack of technology stocks to be found in their public markets and fears that they would suffer disproportionately from any COVID second wave, as well as general investor ambivalence towards some of the smaller markets.

Although the broad backdrop points to a recovery in earnings this year, the dividend payment picture across the period was more mixed given its tendency to lag that of earnings. In general, North Asian payments were relatively more robust reflecting the better economic backdrop and exposure to sectors that had not been hit as hard by COVID, such as technology stocks. Financials generally through 2020 were impacted by falling interest rates and uncertainty over credit costs relating to COVID, which together with regulatory limits imposed on shareholder returns, in some countries, saw the sector under pressure from a dividend perspective, with cuts in a number of markets including Singapore and Australia. The other headwind for dividends has been the uncertainty over the pace of any recovery given second and third waves of COVID globally, as well as flare-ups regionally, which have resulted in sporadic localised lockdowns, all of which unsurprisingly has prioritised caution.

Positioning and Performance

The Company's positive total return of 20.6% over the period compared favourably with that of the reference benchmark which rose 16.7% over the period. The increased expectations for a global recovery benefitted the trust as it saw earnings revisions broaden out from a narrow set of growth names, many of which pay little in the way of dividend (including the Chinese internet names). Over the period the biggest positive contribution came from our stock selection in and overweight to Taiwan where our technology names performed particularly strongly. The underweight to China, which lagged over the period, also benefitted the trust albeit part of that was offset by the overweight to Hong Kong. Elsewhere, stock selection in Australia via overweights in the diversified resource companies added value. Stock selection in and our overweight to Singapore was a headwind with many of the REIT (Real Estate Investment Trust) names lagging as rate expectations ticked up and 'normalisation' was delayed. The underweight to the smaller markets of Malaysia, Indonesia and the Philippines, in part, offset this.

The geographic exposure in the Company's portfolio continues to be spread between Taiwan, Hong Kong, Australia, Korea, China and Singapore. China remains a substantial underweight but is, in part, offset by the overweight to Hong Kong. Moves over the period have tended to take advantage of the increased valuation spread that we saw through last year, reducing those stocks that performed particularly strongly and now look more fully valued in favour of those names that have lagged and look more attractive from a valuation perspective. This involved adding to financials, including in some of the South East Asian markets, and taking profits on some of the more growth orientated names in North Asia that had done particularly well, including some names in the information technology sector. Real estate remains an important exposure, but we have taken a very selective approach both in terms of the nature of the underlying asset and also balance sheet strength.

Investment Outlook

Despite the threat to human life from COVID-19 and its consequent impact on the global economy, stock markets have risen strongly over the last year driven by a cocktail of liquidity, fiscal stimulus, hopes of a successful vaccine rollout and the prospect of a recovery in earnings. Aggregate valuations are now well above long term averages and increasingly starting to price in a strong recovery in earnings. However, the wide divergence of valuations and prospect for the broadening of the earnings recovery means that, although, there are some areas of the market that look 'frothy', such as in selective EV, biotech and tech names, other areas of the market have lagged and are still trading on relatively attractive valuations despite the recent rotation in the market which has seen some of the valuation disparities start to narrow.

Sources of volatility are easy to identify from the new US administration's fiscal and foreign policy, the ongoing relationship between themselves and China to the potential for a further COVID induced slowdown. The recent rise in US long bond yields has unsettled investors given the potential impact that this could have not only on valuations, especially of more highly rated growth stocks, but also in it potentially bringing forward tightening of monetary policy that has been so accommodative for markets. Any tapering of monetary policy clearly remains a risk and we have started to see some price rises in commodities and goods inflation due to shortages as economies open up, however, services demand is likely to lag resulting in subdued wage pressure in most developed markets. Inflation rising faster than expected is not great for equities in the short-term, but longer term real asset income sources should look attractive versus the return free risk that is fixed income.

Interim Management Report – Manager's Review

Looking at dividends more broadly, there is still a lot of uncertainty as to where near term payments will go given the path of COVID which has unsurprisingly meant caution from some companies, particularly those most reliant on pandemic-related restrictions being eased. Still, despite this, we are expecting earnings to pick up this year as described above which should provide a more supportive backdrop for dividends and potential increases, albeit the timing around increases remains COVID dependent with the uncertainty resulting in a potential lag between any recovery in earnings and that of dividends. Some financials payouts, for instance, remain capped by their regulators but if we see ongoing recovery we are hoping that they will start to allow increased payments. From an overall fund distribution perspective the other dynamic to be cognisant of is Sterling whose direction will obviously impact the size of translated dividends.

Portfolio by sector (gearing currently at -3.9%)

	Portfolio weight %
Consumer Discretionary	8.8
Consumer Staples	2.7
Energy	1.0
Banks	11.4
Real Estate	19.3
Other Financials	5.9
Health Care	–
Industrials	2.4
Information Technology	28.3
Materials	13.5
Communication Services	10.6
Utilities	–

Source: Schroders as at February 28, 2021.

Portfolio by country (gearing currently at -3.9%)

	Portfolio weight %
Australia	18.9
Hong Kong	17.0
China	15.3
India	–
Indonesia	1.0
Japan	0.7
Korea	13.4
Malaysia	–
New Zealand	0.7
Philippines	–
Singapore	11.9
Taiwan	21.9
Thailand	3.1
Other	–

Source: Schroders as at February 28, 2021.

Schroder Investment Management Limited
4 May 2021

Past Performance is not a guide to future performance. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested.

Interim Management Report

Investment Portfolio at 28 February 2021

Investments are classified by the Manager in the country of their main business operations. Stocks in bold are the 20 largest investments, which by value account for 60.1% (29 February 2020: 56.8% and 31 August 2020: 58.3%) of total investments and derivative financial instruments.

	£'000	%
Taiwan		
Taiwan Semiconductor Manufacturing	**73,192**	**9.3**
Hon Hai Precision Industry	**25,713**	**3.3**
Delta Electronics	**15,458**	**2.0**
Mediatek	11,643	1.5
Uni-President	10,786	1.4
ASE Technology	9,414	1.2
Far EasTone Telecommunications (including GDR)	9,402	1.2
Mega Financial	5,761	0.7
Novatek Microelectronics	4,066	0.5
Total Taiwan	**165,435**	**21.1**
Australia		
BHP Billiton[1]	**34,331**	**4.4**
Rio Tinto[1]	**23,557**	**3.0**
Telstra	**13,360**	**1.7**
James Hardie Industries	10,892	1.4
National Australia Bank	10,879	1.4
Mirvac	9,076	1.2
Woolworths	8,365	1.1
Iluka Resources	7,956	1.0
Transurban	7,924	1.0
Orica	5,463	0.7
Deterra Royalties	4,730	0.6
Suncorp	3,236	0.4
Brambles	1,966	0.3
Total Australia	**141,735**	**18.2**

	£'000	%
Hong Kong (SAR)		
HKT Trust and HKT	**19,831**	**2.6**
Kerry Properties	**19,106**	**2.4**
Sung Hung Kai Properties	**15,829**	**2.0**
BOC Hong Kong	**15,251**	**1.9**
Link (REIT)	**13,688**	**1.7**
Fortune Real Estate Investment Trust	**11,938**	**1.5**
Swire Properties	8,081	1.0
Hang Lung Group	6,726	0.9
Swire Pacific B	5,638	0.7
Hang Lung Properties	4,155	0.5
HK Exchanges & Clearing	3,521	0.5
Pacific Textiles	2,676	0.3
Prada	2,649	0.3
Total Hong Kong (SAR)	**129,089**	**16.3**
Mainland China		
Midea Group warrants 27/05/2021[2] and A shares	**33,589**	**4.3**
Sands China[3]	**20,613**	**2.6**
China Life Insurance[3]	**13,713**	**1.7**
Ping An Insurance H shares[3]	11,448	1.5
China Resources Land[3]	10,566	1.3
China Petroleum & Chemical H shares[3]	7,873	1.0
Lonking[3]	7,159	0.9
Shenzhou International[3]	6,819	0.9
China Mobile[3]	3,614	0.5
Total Mainland China	**115,394**	**14.7**

Interim Management Report

Investment Portfolio at 28 February 2021

	£'000	%
South Korea		
Samsung Electronics preference shares	**64,632**	**8.2**
SK Telecom	**16,132**	**2.1**
LG Chemical preference shares	9,324	1.2
Hana Financial	4,297	0.5
SK Holding preference shares	3,298	0.4
Samsung Fire and Marine Insurance preference shares	2,439	0.3
SK Innovation preference shares	1,149	0.1
Amorepacific preference shares	979	0.1
Total South Korea	**102,250**	**12.9**
Singapore		
Oversea-Chinese Banking	**16,019**	**2.0**
United Overseas Bank	**13,879**	**1.8**
CapitaLand Mall Trust (REIT)	**12,191**	**1.6**
Venture	10,362	1.3
Singapore Telecom	9,974	1.3
Suntec (REIT)	8,397	1.1
Singapore Exchange	7,272	0.9
Mapletree Commercial Trust (REIT)	5,544	0.7
Frasers Centrepoint Trust (REIT)	5,418	0.7
Total Singapore	**89,056**	**11.4**

	£'000	%
Thailand		
Intouch	7,849	1.0
Kasikornbank	6,604	0.8
Land and Houses NDVR	4,418	0.6
CPN Retail Growth Leasehold (REIT)	2,576	0.3
Supalai	2,072	0.3
Total Thailand	**23,519**	**3.0**
Indonesia		
Bank Mandiri	7,822	1.0
Total Indonesia	**7,822**	**1.0**
Japan		
Sumitomo Mitsui Financial	5,768	0.7
Total Japan	**5,768**	**0.7**
New Zealand		
Fletcher Building	5,287	0.7
Total New Zealand	**5,287**	**0.7**
Total Investments[4]	**785,355**	**100.0**

[1]Listed in the UK
[2]Listed in USA
[3]Listed in Hong Kong

[4]Total investments comprises:

	£'000	%
Equities, including GDR and NVDR	703,534	89.6
Preference shares	81,821	10.4
Total investments	785,355	100.0

"GDR" means global depositary receipts
"NVDR" means non-voting depositary receipts
"REIT" means real estate investment trust

Interim Management Report

Principal risks and uncertainties

The principal risks and uncertainties with the Company's business fall into the following risk categories: strategic; investment management; financial and currency; political; custody; gearing and leverage; accounting, legal and regulatory; service provider and cyber.

A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 18 to 21 of the Company's published annual report and accounts for the year ended 31 August 2020.

These principal risks and uncertainties have not materially changed during the six months ended 28 February 2021.

The board has continued to keep under review the effect of the COVID-19 pandemic on the Company's principal risks and uncertainties. Although it was assessed to be an emerging risk in the annual report, the Board now considers that the Company's existing principal risks and uncertainties are sufficiently comprehensive. COVID-19 continues to affect the Company, affecting the value of the Company's investments due to the disruption of supply chains and demand for products and services, increased costs and cash flow problems, and changed legal and regulatory requirements for companies. The pandemic has had a significant impact on prospects for global growth and it continues to create uncertainty in many sectors

The board notes the Manager's investment process has been unaffected by the COVID-19 pandemic. The Manager continues to focus on long-term company fundamentals and detailed analysis of current and future investments. COVID-19 also affected the Company's service providers, who have implemented business continuity plans and are working almost entirely remotely. The board continues to receive regular reporting on operations from the Company's major service providers and does not anticipate a fall in the level of service.

Going concern

The board has assessed the principal risks and uncertainties, along with the Company's current financial position, its cash flows and its liquidity. The board notes that the Company's portfolio is comprised of mainly large cap equities in liquid markets, that the Company has low levels of gearing, which are kept under review by the board, and that the Company has a low level of, mostly, variable costs. The board has reviewed the impact on the risks as a result of COVID-19, and where appropriate, action taken by the Company's service providers in relation to those risks and the directors consider it appropriate to adopt the going concern basis in preparing the accounts.

Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 28 February 2021.

Directors' responsibility statement

The directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with the Companies (Guernsey) Law, 2008, International Financial Reporting Standards and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in October 2019 and that this Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

Statement of Comprehensive Income

	(Unaudited) For the six months ended 28 February 2021			(Unaudited) For the six months ended 29 February 2020			(Audited) For the year ended 31 August 2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	**–**	**129,359**	**129,359**	–	(42,903)	(42,903)	–	(33,379)	(33,379)
Net foreign currency gains	**–**	**962**	**962**	–	711	711	–	3,536	3,536
Income from investments	**10,791**	**219**	**11,010**	10,031	62	10,093	31,421	164	31,585
Other income	**1**	**–**	**1**	11	–	11	12	–	12
Total income/(loss)	**10,792**	**130,540**	**141,332**	10,042	(42,130)	(32,088)	31,433	(29,679)	1,754
Management fee	**(771)**	**(1,799)**	**(2,570)**	(687)	(1,604)	(2,291)	(1,355)	(3,163)	(4,518)
Performance fee	**–**	**(5,356)**	**(5,356)**	–	–	–	–	–	–
Administrative expenses	**(534)**	**(3)**	**(537)**	(483)	(2)	(485)	(1,051)	(4)	(1,055)
Profit/(loss) before finance costs and taxation	**9,487**	**123,382**	**132,869**	8,872	(43,736)	(34,864)	29,027	(32,846)	(3,819)
Finance costs	**(52)**	**(115)**	**(167)**	(125)	(290)	(415)	(235)	(528)	(763)
Profit/(loss) before taxation	**9,435**	**123,267**	**132,702**	8,747	(44,026)	(35,279)	28,792	(33,374)	(4,582)
Taxation (note 4)	**(811)**	**–**	**(811)**	(707)	–	(707)	(2,255)	–	(2,255)
Net profit/(loss) and total comprehensive income	**8,624**	**123,267**	**131,891**	8,040	(44,026)	(35,986)	26,537	(33,374)	(6,837)
Earnings/(losses) per share (note 5)	**3.20p**	**45.76p**	**48.96p**	3.00p	(16.44)p	(13.44)p	9.86p	(12.40)p	(2.54)p

The "Total" column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with International Financial Reporting Standards. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by the Association of Investment Companies. The Company has no other items of other comprehensive income, and therefore the net profit/(loss) for the period is also the total comprehensive income for the period.

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

Statement of Changes in Equity

For the six months ended 28 February 2021 (unaudited)

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2020	234,347	(2,155)	39	150,374	233,856	30,238	646,699
Issue of shares	–	–	–	–	–	–	–
Repurchase of shares into treasury	–	(5,233)	–	–	–	–	(5,233)
Net profit	–	–	–	–	123,267	8,624	131,891
Dividends paid in the period (note 6)	–	–	–	–	–	(17,504)	(17,504)
At 28 February 2021	**234,347**	**(7,388)**	**39**	**150,374**	**357,123**	**21,358**	**755,853**

For the six months ended 29 February 2020 (unaudited)

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2019	212,786	–	39	150,374	267,230	31,375	661,804
Issue of shares	19,397	–	–	–	–	–	19,397
Net (loss)/profit	–	–	–	–	(44,026)	8,040	(35,986)
Dividends paid in the period (note 6)	–	–	–	–	–	(17,401)	(17,401)
At 29 February 2020	**232,183**	**–**	**39**	**150,374**	**223,204**	**22,014**	**627,814**

For the year ended 31 August 2020 (audited)

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2019	212,786	–	39	150,374	267,230	31,375	661,804
Issue of shares	21,561	–	–	–	–	–	21,561
Repurchase of shares into treasury	–	(2,155)	–	–	–	–	(2,155)
Net (loss)/profit	–	–	–	–	(33,374)	26,537	(6,837)
Dividends paid in the year (note 6)	–	–	–	–	–	(27,674)	(27,674)
At 31 August 2020	**234,347**	**(2,155)**	**39**	**150,374**	**233,856**	**30,238**	**646,699**

Balance Sheet
at 28 February 2021 (unaudited)

	(Unaudited) 28 February 2021 £'000	(Unaudited) 29 February 2020 £'000	(Audited) 31 August 2020 £'000
Non current assets			
Investments at fair value through profit or loss	**785,355**	669,838	672,184
Current assets			
Receivables	**8,556**	6,518	5,234
Cash and cash equivalents	**6,272**	14,326	17,028
	14,828	20,844	22,262
Total assets	**800,183**	690,682	694,446
Current liabilities			
Bank loans	**(35,763)**	(61,205)	(42,625)
Payables	**(8,567)**	(1,302)	(5,122)
Derivative financial instruments held at fair value through profit or loss	–	(361)	–
	(44,330)	(62,868)	(47,747)
Net assets	**755,853**	627,814	646,699
Equity attributable to equity holders			
Share capital (note 7)	**234,347**	232,183	234,347
Treasury share reserve	**(7,388)**	–	(2,155)
Capital redemption reserve	**39**	39	39
Special reserve	**150,374**	150,374	150,374
Capital reserves	**357,123**	223,204	233,856
Revenue reserve	**21,358**	22,014	30,238
Total equity shareholders' funds	**755,853**	627,814	646,699
Net asset value per share (note 8)	**281.78p**	232.32p	239.28p

Registered in Guernsey
Company registration number: 43298

Cash Flow Statement

	(Unaudited) For the six months ended 28 February 2021 £'000	(Unaudited) For the six months ended 29 February 2020 £'000	(Audited) For the year ended 31 August 2020 £'000
Operating activities			
Profit/(loss)/before finance costs and taxation	**132,869**	(34,864)	(3,819)
Deduct net foreign currency gains	**(962)**	(711)	(3,536)
(Gains)/losses on investments at fair value through profit or loss	**(129,359)**	42,903	33,379
Net sales/(purchases) of investments at fair value through profit or loss	**11,865**	(22,880)	(9,030)
(Increase)/decrease in receivables	**(1,367)**	1,449	(194)
Increase in payables	**5,543**	338	70
Overseas taxation paid	**(539)**	(578)	(2,143)
Net cash inflow/(outflow) from operating activities before interest	**18,050**	(14,343)	14,727
Interest paid	**(169)**	(420)	(767)
Net cash inflow/(outflow) from operating activities	**17,881**	(14,763)	13,960
Financing activities			
Bank loans drawn down	**–**	23,244	87,067
Bank loans repaid	**(5,241)**	–	(80,351)
Issue of ordinary shares	**–**	19,397	21,561
Repurchase of ordinary shares into treasury	**(5,233)**	–	(2,155)
Dividends paid	**(17,504)**	(17,401)	(27,674)
Net cash (outflow)/inflow from financing activities	**(27,978)**	25,240	(1,552)
(Decrease)/Increase in cash and cash equivalents	**(10,097)**	10,477	12,408
Cash and cash equivalents at the start of the period	**17,028**	5,043	5,043
Effect of foreign exchange rate changes on cash and cash equivalents	**(659)**	(1,194)	(423)
Cash and cash equivalents at the end of the period	**6,272**	14,326	17,028

Dividends received during the period amounted to £9,307,000 (period ended 29 February 2020: £10,726,000 and year ended 31 August 2020: £30,561,000) and bond and deposit interest receipts amounted to £nil (period ended 29 February 2020: £10,000 and year ended 31 August 2020: £14,000).

Notes to the Accounts

1. Principal activity

The Company carries on business as a Guernsey closed–ended investment company.

2. Financial statements

The financial information for the six months ended 28 February 2021 and 29 February 2020 has not been audited or reviewed by the Company's auditor. These financial statements do not include all of the information required to be included in annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 August 2020.

3. Accounting policies

The accounts have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and the accounting policies set out in the statutory accounts of the Company for the year ended 31 August 2020. Where presentational guidance set out in the Statement of Recommended Practice (the "SORP") for investment trusts issued by the Association of Investment Companies in October 2019, is consistent with the requirements of International Financial Reporting Standards, the accounts have been prepared on a basis compliant with the recommendations of the SORP.

4. Taxation

Taxation comprises irrecoverable overseas withholding tax deducted from dividends receivable. The Company became resident in the United Kingdom for taxation purposes on 1 September 2020 and has been granted approval as an investment trust under Sections 1158 and 1159 of the Corporation Taxes Act 2010, from that date.

5. Earnings/(losses) per share

	(Unaudited) Six months ended 28 February 2021 £'000	(Unaudited) Six months ended 29 February 2020 £'000	(Audited) Year ended 31 August 2020 £'000
Net revenue profit	**8,624**	8,040	26,537
Net capital profit/(loss)	**123,267**	(44,026)	(33,374)
Net total profit/(loss)	**131,891**	(35,986)	(6,837)
Weighted average number of shares in issue during the period	**269,389,571**	267,734,123	269,200,852
Revenue earnings per share	**3.20p**	3.00p	9.86p
Capital earnings/(loss) per share	**45.76p**	(16.44)p	(12.40)p
Total earnings/(losses) per share	**48.96p**	(13.44)p	(2.54)p

Notes to the Accounts

6. Dividends paid

	(Unaudited) Six months ended 28 February 2021 £'000	(Unaudited) Six months ended 29 February 2020 £'000	(Audited) Year ended 31 August 2020 £'000
2020 fourth interim dividend of 4.60p (2019: 4.60p)	**12,404**	12,274	12,274
First interim dividend of 1.90p (2020: 1.90p)	**5,100**	5,127	5,127
Second interim dividend of 1.90p	**–**	–	5,138
Third interim dividend of 1.90p	**–**	–	5,135
	17,504	**17,401**	**27,674**

A second interim dividend of 1.90p (2020: 1.90p) per share, amounting to £5,097,000 (2020: £5,138,000) has been declared payable in respect of the year ending 31 August 2021.

7. Share capital

Changes in the number of shares in issue during the period were as follows:

	(Unaudited) Six months ended 28 February 2021	(Unaudited) Six months ended 29 February 2020	(Audited) Year ended 31 August 2020
Ordinary shares of 1p each, allotted, called-up and fully paid			
Opening balance of shares in issue, excluding shares held in treasury	**270,268,024**	262,683,024	262,683,024
Issue of shares	**–**	7,550,000	8,550,000
Repurchase of shares into treasury	**(2,025,000)**	–	(965,000)
Closing balance of shares in issue, excluding shares held in treasury	**268,243,024**	270,233,024	270,268,024
Shares held in treasury	**2,990,000**	–	965,000
Closing balance of shares in issue	**271,233,024**	270,233,024	271,233,024

8. Net asset value per share

	(Unaudited) 28 February 2021	(Unaudited) 29 February 2020	(Audited) 31 August 2020
Net assets attributable to shareholders (£'000)	**755,853**	627,814	646,699
Shares in issue at the period end, excluding shares held in treasury	**268,243,024**	270,233,024	270,268,024
Net asset value per share	**281.78p**	232.32p	239.28p

Notes to the Accounts

9. Disclosures regarding financial instruments measured at fair value

The Company's portfolio of investments, comprising investments in companies and any derivatives, are carried in the balance sheet at fair value. Other financial instruments held by the Company comprise amounts due to or from brokers, dividends and interest receivable, accruals, cash and drawings on the credit facility. For these instruments, the balance sheet amount is a reasonable approximation of fair value. The recognition and measurement policies for financial instruments measured at fair value have not changed from those set out in the statutory accounts of the Company for the year ended 31 August 2020.

The investments in the Company's portfolio are categorised into a hierarchy comprising the following three levels:

Level 1 – valued using quoted prices in active markets.

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

At 28 February 2021, the Company's investment portfolio and derivative financial instruments were categorised as follows:

	(Unaudited) 28 February 2021 £'000	(Unaudited) 29 February 2020 £'000	(Audited) 31 August 2020 £'000
Level 1	**785,355**	669,838	672,184
Level 2	**–**	(361)	–
Level 3	**–**	–	–
Total	**785,355**	669,477	672,184

There have been no transfers between Levels 1, 2 or 3 during the period (period ended 29 February 2020 and year ended 31 August 2020: nil).

10. Events after the interim period that have not been reflected in the financial statements for the interim period

The directors have evaluated the period since the interim date and have not noted any events which have not been reflected in the financial statements.

Notes

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Directors

Paul Meader (Chairman)
Alexa Coates
Kate Cornish-Bowden
Nick Winsor

Advisers

Alternative Investment Fund Manager (the "Manager")

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Company secretary and administrator

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Registrar

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Le Bordage
St Peter Port
Guernsey GY1 1DB

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment, should be directed to Computershare Investor Services (Guernsey) Limited at the address set out above.

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United Kingdom

Designated manager

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Shareholder enquiries

General enquiries about the Company should be addressed to the company secretary at the address set out above.

AIFM Directive disclosures

Certain pre-sale, regular and periodic disclosures required by the AIFM Directive may be found on its webpages.

The Company's leverage policy and details of limits on leverage required under the AIFM Directive are published on its webpages.

Dealing codes

ISIN: GB00B0CRWN59
SEDOL: B0CRWN5
Ticker: SOI

Global Intermediary Identification Number (GIIN)

1TVP6A.99999.SL.83

Legal Entity Identifier (LEI)

5493001U9X6P8SS0PK40

The Company's privacy notice is available on its webpage.

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