

Schroder British Opportunities Trust plc

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Lisa Easton
The Association of investment Companies
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17 March 2022

Dear Lisa

AIC SORP public consultation on proposed amendments to disclosure of substantial holdings in unquoted investments

Thank you for circulating the proposed amendments to the SORP and for inviting comments. This board is very much in favour of the proposed amendments. Your paper accurately describes the problems this company has encountered due to the current disclosure requirements, and is of the opinion that your proposed changes will provide a solution.

Please see below our responses to the specific questions posed in your paper:

1. Yes, we consider that the current requirements of the AIC SORP pose a commercial issue for investment companies which could restrict their ability to invest in unquoted investments.

The issue is twofold. Firstly, where potential investee companies make it clear that any investment is conditional on not disclosing certain information currently required by the SORP, the manager is faced with the dilemma of whether to proceed or to look for alternative investments where the disclosure restrictions are less onerous. We do not believe this is in shareholders' best interests. Secondly, having decided to proceed with an investment in an unlisted company despite the confidentiality restrictions, this puts investment companies into a situation where a statement of non compliance with the SORP has to be included in the accounts. Clearly this is not a desirable outcome for a company which is keen to adopt best accounting practice.

We agree that your proposed changes will remove these problems.

2. Yes, we consider that the current requirements of the AIC SORP pose a commercial issue for investee companies.

Your paper correctly highlights that the current disclosure requirements in the SORP allow third parties to calculate the market value which the investor has attributed to the unquoted investee entity. This may have a significant impact on the investee company. For example it might prejudice equity raise or sale negotiations. We do not believe that this was the original intention of the SORP.

We agree that your proposed changes will remove this problem.

3. No, we do not consider that the AIC's proposed amendments pose any threat to market integrity. We consider the disclosure requirements regarding holdings of 20 per cent or more of an entity are the appropriate level of materiality.

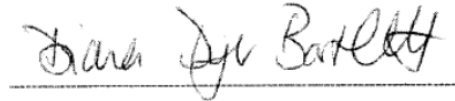
4. No, we do not consider that the AIC's proposed amendments remove information which you consider to be imperative to making an informed investment decision.

5. Yes, we agree that the AIC's proposed amendments should be made to the SORP.

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Yours Sincerely

A handwritten signature in black ink, reading "Diana Dyer Bartlett", written over a horizontal line.

Diana Dyer Bartlett
Director