



# abrDN Asian Income Fund Limited

## Targeting the income and growth potential of Asia's most compelling and sustainable companies

Performance Data and Analytics to 31 January 2024

### Investment objective

To provide investors with a total return primarily through investing in Asia Pacific securities, including those with an above average yield. Within its overall investment objective, the Company aims to grow its dividends over time.

### Benchmark

The Company's portfolio is constructed without reference to the composition of any stock market index or benchmark. It is likely, therefore, that there will be periods when its performance will be quite unlike that of any index or benchmark and there can be no assurance that such divergence will be wholly or even primarily to the Company's advantage. The Manager utilises two general regional indices, the MSCI AC Asia Pacific ex Japan Index (currency adjusted) and the MSCI AC Asia Pacific ex Japan High Dividend Yield Index (MXAPJ) (currency adjusted) for Board reporting.

### Cumulative performance (%)

	as at 31/01/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	196.5p	(3.5)	8.5	(4.0)	(8.2)	3.4	22.8
NAV <sup>A</sup>	224.7p	(3.9)	5.5	(2.3)	(7.7)	3.8	26.8
MSCI AC Asia Pacific ex Japan		(4.7)	2.1	(5.1)	(8.7)	(13.9)	16.7
MSCI AC Asia Pacific ex Japan HDY		(2.8)	5.1	2.4	4.0	21.4	28.0

### Discrete performance (%)

	31/01/24	31/01/23	31/01/22	31/01/21	31/01/20
Share Price	(8.2)	4.8	7.5	14.8	3.4
NAV <sup>A</sup>	(7.7)	4.6	7.4	17.4	4.1
MSCI AC Asia Pacific ex Japan	(8.7)	2.1	(7.6)	26.7	7.0
MSCI AC Asia Pacific ex Japan HDY	4.0	7.4	8.7	4.4	1.0

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: abrDN Investments Limited, Lipper and Morningstar.

**Past performance is not a guide to future results.**

<sup>A</sup> Including current year revenue.

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### Morningstar Sustainability Rating™



### Morningstar Rating™



#### <sup>B</sup> Morningstar Rating™ for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

### Ten largest holdings (%)

TSMC	Taiwan	8.9
Samsung Electronics	Korea	6.2
BHP	Australia	3.9
DBS	Singapore	3.5
Oversea-Chinese Banking	Singapore	3.3
Power Grid	India	3.2
Mediatek	Taiwan	2.9
Venture	Singapore	2.6
United Overseas Bank	Singapore	2.6
Rio Tinto	Australia	2.4
<b>Total</b>		<b>39.5</b>

**Total number of investments 59**

All sources (unless indicated): abrDN: 31 January 2024.



## 1 Year Premium/Discount Chart (%)



## Fund managers' report

### Market and portfolio review

Asian equities began the new year on a weak note, underperforming developed markets, mainly due to economic concerns and geopolitical tensions. Expectations that the US Federal Reserve will soon begin to cut rates receded as Fed chairman Jay Powell indicated that the long-awaited easing of US monetary policy may start later than hoped. China and Hong Kong were among the worst performers, owing to prevailing consumer and property concerns, but Korea also underperformed as weak demand and slowing growth in electric vehicles weighed on the industrials and materials sectors. India, however, bucked the regional decline on the back of decent results from the IT sector and local investor buying. Taiwan, meanwhile, fell by less than the regional benchmark, following the presidential elections which were won by Lai Ching-te, the candidate from the ruling party.

In corporate news, two of our core tech holdings, Taiwan Semiconductor Manufacturing Company (TSMC) and Samsung Electronics, reported fourth-quarter earnings. TSMC's results beat expectations, as demand remained solid for its N3 semiconductor nodes and AI-related contributions rose. The company's forecast sales growth for 2024 was also higher than expected. Meanwhile, Samsung posted good results with positive comments on a memory recovery, especially DRAM and high bandwidth memory. It also confirmed its new shareholder returns policy for 2024-26, leaving the door open for further returns dependent on cash balances and mergers and acquisitions.

### Fund managers' report continues overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 December 2022. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The OCF can help you compare the annual operating expenses of different Companies.

<sup>d</sup> With effect from 1 January 2022 the management fee was moved to a tiered basis: 0.8% of the average value of net assets up to £350 million and 0.6% of the average value of net assets in excess of £350 million.

<sup>e</sup> Calculated using the Company's historic net dividends and month end share price.

<sup>f</sup> Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

<sup>g</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

## Country allocation (%)

	Trust	Regional Index	Month's market change
Taiwan	21.8	16.0	(1.0)
Singapore	20.0	3.1	(4.3)
Australia	15.7	17.4	(1.5)
Korea	7.7	11.8	(9.9)
China	7.5	24.0	(10.5)
India	6.9	17.3	2.5
Hong kong	5.8	4.5	(9.6)
Thailand	5.5	1.6	(7.8)
New Zealand	4.5	0.5	(2.2)
Indonesia	2.2	1.9	(1.5)
Japan	1.1	-	-
Malaysia	-	1.3	(0.2)
Philippines	-	0.6	1.1
Cash	1.3	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Month's market change represents the individual country returns calculated using the MSCI Index series (£). Market change is Total Return in GBP.

Index may not add up to 100 due to rounding.

Source: abrdrn Investments Limited and MSCI.

## Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	12.78	13.91
Beta	0.83	0.89
Sharpe Ratio	0.05	0.33
Annualised Tracking Error	5.52	5.55
Annualised Information Ratio	1.47	0.51
R-Squared	0.86	0.86

Source: abrdrn & Factset.

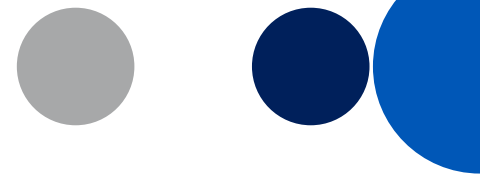
Basis: Total Return, Gross of Fees, GBP.

Please note that risk analytics figures are calculated on gross returns whereas the performance figures are based on net asset value (NAV) returns. In addition, the risk analytics figures lag the performance figures by a month.

## Key information

### Calendar

Year end	31 December
Accounts published	April
Annual General Meeting	May
Dividend paid	February, May, August, November
Launch date	December 2005
Fund manager	Asian Equities Team
Ongoing charges <sup>c</sup>	1.01%
Annual management fee <sup>d</sup>	0.80% (tiered)
Premium/(Discount)	(12.6)%
Yield <sup>e</sup>	6.0%
Net gearing <sup>f</sup>	7.0%
Active share <sup>g</sup>	75.3%



## Fund managers' report – continued

January also saw solid production updates from mining groups Rio Tinto and BHP, along with news that insurance group AIA has adopted an automatic share buyback programme, which means the current repurchase plan will continue through the blackout period ahead of its results. We view this positively as it will reduce arbitrage opportunities between buyback phases and, in turn, share-price volatility. Indonesia's Bank Mandiri announced a 34% rise in full-year profits, which was higher than forecast and driven by fees, costs and recoveries. Loans grew by 16% year-on-year and the bank's tech investments are starting to show through in its profits. Keppel Infrastructure Trust's concession agreement with Singapore's National Environment Agency for the Senoko waste-to-energy plant has been extended by a further three years, and the trust has the option of a further year available. The dividend declared in the full-year results was as expected and the shares continue to trade on an attractive yield.

On ESG engagement, we discussed climate change, labour management and corporate governance issues with Siam Cement. We are comfortable with the company's disclosures on net zero-enabling technologies and energy efficiency programmes, but we encouraged more transparency and financial materiality of carbon abatement projects. We encouraged the company to consider aligning its long-term greenhouse gas emission reductions targets with the 1.5°C scenario by the Science Based Targets initiative (SBTi).

There were no significant changes to the portfolio in January.

## Outlook

Cautious optimism is taking root in Asian equities after a difficult 2023. This is amid expectations of a peaking of US interest rates and US dollar strength. This is happening alongside a turn in the Asian technology cycle, as the sector comes off its trough. In China, we are seeing some stabilisation and green shoots of recovery, aided by incremental policy support. There are a number of significant political events taking place in 2024 across Asia, including elections in Indonesia (February) and India (April) and the US (November). Asian valuations remain attractive versus developed markets, along with expectations of better earnings performance in the fourth quarter and early 2024. At the portfolio level, we remain focused on ensuring that our conviction is appropriately reflected in our positioning. We continue to believe that quality companies with solid balance sheets and sustainable earnings prospects will emerge stronger in tough times.

Over the longer term, we see the most attractive opportunities around some key structural themes in Asia. Rising affluence is spurring growth in areas including financial services, while urbanisation and an infrastructure boom is set to benefit property developers and mortgage providers. The region is also in the driver's seat when it comes to the green transition with plays on renewable energy, batteries, electric vehicles, related infrastructure and environmental management all having a bright future. We continue to favour fundamental themes, which we believe will deliver good dividends for shareholders over the long run.

**The risks outlined overleaf relating to gearing, emerging markets, exchange rate movements and warrants are particularly relevant to this investment company but should be read in conjunction with all warnings and comments given. Important information overleaf**

## AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

## Assets/Debt (£m)

Equities	406.7
Fixed Income	3.3
Gross Assets	407.2
Debt	32.1
Cash & cash equivalents	5.8

## Capital structure

Ordinary shares	166,933,207
Treasury Shares	28,000,182

## Allocation of management fees and finance costs

Capital	60%
Revenue	40%

## Borrowing policy

Up to 25% of net assets (measured at the time any borrowings are drawn down).

## Trading details

Reuters/Epic/ Bloomberg code	AAIF
ISIN code	GB00B0P6J834
Sedol code	B0P6J83
Stockbrokers	Stifel Nicolaus Europe Limited
Market makers	SETSm



## Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.abrdn.com/trustupdates](http://www.abrdn.com/trustupdates) [www.asian-income.co.uk](http://www.asian-income.co.uk)



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## Important information

### Risk factors you should consider prior to investing:

- The value of investments, and the income from them, can go down as well as up and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- The Company may charge expenses to capital which may erode the capital value of the investment.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- The Company invests in emerging markets which tend to be more volatile than mature markets and the value of your investment could move sharply up or down.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.
- Derivatives may be used, subject to restrictions set out for the Company, in order to manage risk and generate income. The market in derivatives can be volatile and there is a higher than average risk of loss.

### Other important information:

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