



# abrDN Asian Income Fund Limited

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

Performance Data and Analytics to 30 June 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 uses the MSCI AC Asia Pacific ex Japan Index (currency adjusted) for Board reporting purposes.

### Cumulative performance (%)

	as at 30/06/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	215.0p	3.4	6.2	6.9	13.5	8.6	25.9
NAV <sup>A</sup>	247.4p	4.2	4.5	6.8	13.6	9.6	28.9
MSCI AC Asia Pacific ex Japan		4.7	6.3	9.6	14.0	-3.6	23.9

### Discrete performance (%)

	30/06/24	30/06/23	30/06/22	30/06/21	30/06/20
Share Price	13.5	0.5	(4.8)	32.0	(12.2)
NAV <sup>A</sup>	13.6	(0.4)	(3.3)	29.1	-8.8
MSCI AC Asia Pacific ex Japan	14.0	(3.4)	(12.5)	24.9	2.9

Total return; NAV cum income, with 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.

<sup>B</sup> © 2024 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf> The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

### 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	12.3
Samsung Electronics	Korea	6.4
Power Grid	India	3.8
DBS	Singapore	3.5
Oversea-Chinese Banking	Singapore	3.2
BHP	Australia	2.9
United Overseas Bank	Singapore	2.6
Taiwan Mobile	Taiwan	2.4
Mediatek	Taiwan	2.3
Sunonwealth Electric Machine	Taiwan	2.2
<b>Total</b>		<b>41.6</b>

**Total number of investments 58**

All sources (unless indicated): abrDN: 30 June 2024.



## 1 Year Premium/Discount Chart (%)



## Fund managers' report

Asian equity markets performed strongly in June, outperforming most developed markets in Europe and the US. Sentiment was helped by better-than-expected corporate earnings. The best-performing markets were India, Taiwan and Korea. India continued its good run despite initial volatility, after a surprising election outcome saw the ruling Bharatiya Janata Party (BJP) fail to secure a single-party majority. However, the market recovered quickly after the BJP, led by Prime Minister (PM) Narendra Modi, formed a coalition government with its key allies. BJP ministers retained most of their key ministries in the new cabinet, with Modi taking the oath as PM for a third term. Meanwhile, markets in Taiwan and Korea remained supported by continued strength in the technology sector, alongside AI-driven optimism.

On the other side, Hong Kong was the weakest market, amid weak housing activity and lacklustre domestic retail sales. Mainland Chinese stocks also eased slightly due to mixed economic data releases, a dial down of expectations around significant policy stimulus to be announced at the Third Plenum in July, and the possibility of further US tariffs and sanctions.

In corporate news, Oversea-Chinese Banking Corporation (OCBC) has announced that its stake in insurer Great Eastern (GEH) has exceeded 90% which means that it meets the de-listing threshold. Elsewhere, real estate company CapitaLand Investment declared that it will soon start operating in India's GIFT International Financial Services Centre, a special economic zone in the state of Gujarat, to serve its global clients. In the industrials sector, ST Engineering (STE) has secured ammunition contracts from new customers worth more than S\$100 million (£57.9 million), showcasing its competitive edge in the segment. We expect STE to continue pushing out its equipment unveiled at the Singapore Airshow to select countries seeking diversification, integrated

## Fund managers' report continues overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 December 2023. 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 2024 the management fee was moved to a tiered basis: 0.75% per annum on the first £300m and 0.6% thereafter, all chargeable on the lower of market capitalisation or net asset value.

<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	25.0	18.6	12.8
Singapore	17.7	2.9	1.6
Australia	15.5	15.8	2.7
China	10.4	24.1	(1.1)
India	7.6	18.4	7.8
Korea	6.9	11.6	9.7
Hong Kong	5.6	3.7	(5.7)
New Zealand	3.3	0.4	(1.0)
Thailand	3.2	1.3	(1.3)
Indonesia	2.7	1.5	3.1
Japan	1.1	-	-
Malaysia	-	1.3	0.6
Philippines	-	0.5	1.7
Cash	1.0	-	-
<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	12.85	13.80
Beta	0.80	0.88
Sharpe Ratio	0.12	0.32
Annualised Tracking Error	5.76	5.61
Annualised Information Ratio	0.99	0.32
R-Squared	0.86	0.86

Source: abrdrn & Factset.

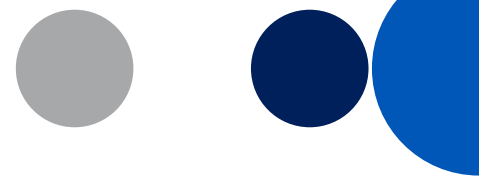
Basis: Total Return, Gross of Fees, GBP.

Please note that risk analytics figures are calculated on gross returns whereas the performance figures are based on net asset value (NAV) returns.

## 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>	1.00%
Annual management fee <sup>d</sup>	0.75% Market Cap (tiered)
Premium/(Discount)	(13.09%)
Yield <sup>e</sup>	5.5%
Net cash/(gearing) <sup>f</sup>	(7.1%)
Active share <sup>g</sup>	71.4%



## Fund managers' report – continued

capabilities and engagement in local partnerships. Finally, in Australia, Mirvac released a trading update ahead of its full-year results which confirmed a number of property sales. We see this as a positive signal that management is delivering on its asset recycling execution.

On ESG engagement, we spoke with the management of Power Grid Corp of India to better understand their approach to climate change (including the governance of this approach), and the ways in which they are managing the physical risks from climate change. The company aims to reach net zero by 2047 but is, to an extent, dependent on the development of alternatives to sulphur hexafluoride (SF6) gas. It is therefore working closely with vendors on this area. For the governance of climate change, Power Grid has a clear structure of oversight with the board's risk committee ultimately responsible as the group sees climate as a clear operational risk. As to physical risk, we discussed its different manifestations and management explained the ways in which they are managing and mitigating this risk. We encouraged them to disclose more about this given that current disclosure is not as detailed as it could be, and they seemed happy to do so. This was an encouraging conversation and we will continue to engage the company.

In terms of activity in the portfolio, we initiated a position in Korea's SK Hynix which is a pure-play memory semiconductor company specialising in DRAM and NAND flash memory chips. It is the second-largest DRAM and NAND manufacturer globally by revenues. We view it as a beneficiary of the rapid growth of 5G smartphones and structural demand for servers, supported by its acquisition of Intel's NAND business that will enable it to leverage Intel's enhanced solid state drive technology. In addition, SK Hynix is benefiting from growing demand for high bandwidth memory for AI processing, such as machine learning and neural network AI.

Conversely, we exited Woodside Energy Group in order to fund other opportunities with better yield potential.

### Outlook

We continue to be positive on the outlook for Asian equities, although we see short-term noise and volatility ahead of the US election in November. Rates and inflation have likely peaked in the US setting the scene for rate cuts in Asia. The outlook is bright due to the broad-based growth across Asia and the fundamental strength of the companies in the portfolio which are typically leaders in the industries or markets in which they operate. Furthermore, the turnaround in the IT and semiconductor cycle, green transition and near-shoring as a result of geopolitics continues to benefit companies and countries in Asia. China is showing signs of bottoming and recent corporate results have underscored the strength of some business franchises.

We continue to ensure that our positioning appropriately reflects our conviction, focusing on earnings visibility and cash flow. Quality companies with solid balance sheets and sustainable earnings prospects will emerge stronger in tough times. 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	418.5
Fixed Income	3.3
Gross Assets	426.2
Debt	32.2
Cash & cash equivalents	4.2

### Capital structure

Ordinary shares	159,252,038
Treasury Shares	35,681,351

### 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	SETsmm



### 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)



### Contact

**Private investors**  
trusts@abrdn.com

**Institutional Investors**  
InvestmentTrustInvestorRelations-UK@abrdn.com

**Ben Heatley**  
Head of Closed End Fund Sales  
Ben.Heatley@abrdn.com

## 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:

An investment trust should be considered only as part of a balanced portfolio. The information contained in this document should not be considered as an offer, solicitation or investment recommendation to deal in the shares of any securities or financial instruments. It is not intended for distribution or use by any person or entity who is a citizen or resident of or located in any jurisdiction where such distribution, publication or use would be prohibited. Nothing herein constitutes investment, legal, tax or other advice and is not to be relied upon in making an investment or other decision. No recommendation is made, positive or otherwise, regarding individual securities mentioned. This is not an invitation to subscribe for shares and is by way of information only. Investment should only be following a review of the current Key Information Document (KID) and pre-investment disclosure document (PIDD) both of which are available on [www.investments.co.uk](http://www.investments.co.uk). Any data contained herein which is attributed to a third party ("Third Party Data") is the property of (a) third party supplier(s) (the "Owner") and is licensed for use by abrdn\*. Third Party Data may not be copied or distributed. Third Party Data is provided "as is" and is not warranted to be accurate, complete or timely. To the extent permitted by applicable law, none of the Owner, abrdn\* or any other third party (including any third party involved in providing and/or compiling Third Party Data) shall have any liability for Third Party Data or for any use made of Third Party Data. Neither the Owner nor any other third party sponsors, endorses or promotes the fund or product to which Third Party Data relates. \* abrdn means the relevant member of abrdn group, being abrdn plc together with its subsidiaries, subsidiary undertakings and associated companies (whether direct or indirect) from time to time.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI" Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages ([www.msci.com](http://www.msci.com)).

abrdn Investments Limited, registered in Scotland (No. 108419), 10 Queen's Terrace, Aberdeen AB10 1XL, authorised and regulated by the Financial Conduct Authority in the UK. abrdn Asian Income Fund Limited has a registered office at JTC House, 28 Esplanade, St Helier, Jersey JE4 2QP, JTC Fund Solutions (Jersey) Limited acts as the administrator, and the Collective Investment Fund is regulated by the Jersey Financial Services Commission.

For more information visit [abrdn.com/trusts](http://abrdn.com/trusts)

**[abrdn.com/trusts](http://abrdn.com/trusts)**