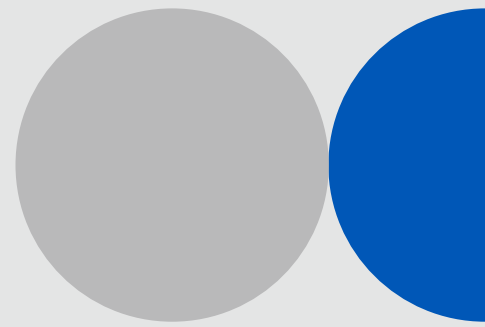


# Asia Dragon Trust plc

## Capturing growth from world-class Asian companies

Performance Data and Analytics to 31 January 2024



### Combination with abrdn New Dawn Investment Trust plc

The combination of the company with abrdn New Dawn Investment Trust plc ("New Dawn") was approved by New Dawn Shareholders on 8 November 2023 and the company acquired approximately £214.7 million of net assets from New Dawn in consideration for the issue of 52,895,670 New Shares to New Dawn Shareholders.

### Investment objective

The Company aims to achieve long-term capital growth principally through investment in companies in the Asia Pacific region, excluding Japan (the "Investment Region").

### Benchmark

MSCI AC Asia ex Japan Index. This benchmark excludes Japan, Australia, New Zealand and Sri Lanka.

### Cumulative performance (%)

	as at 31/01/24	1 month	3 months	6 months	1 year	3 years	5 years	Since 1/9/21 <sup>A</sup>
Share Price	342.0p	(3.1)	4.3	(6.5)	(21.4)	(33.0)	0.6	(29.8)
NAV <sup>B</sup>	397.8p	(4.7)	(0.3)	(9.4)	(19.4)	(30.0)	3.5	(26.7)
MSCI AC Asia ex Japan		(5.3)	(0.2)	(7.3)	(10.2)	(19.8)	10.8	(17.0)

### Discrete performance (%)

	31/01/24	31/01/23	31/01/22	31/01/21	31/01/20
Share Price	(21.4)	(7.5)	(7.8)	38.4	8.4
NAV <sup>B</sup>	(19.4)	(5.2)	(8.4)	34.3	10.1
MSCI AC Asia ex Japan	(10.2)	(1.8)	(9.0)	31.1	5.3

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>At the AGM in 2021, shareholders voted in favour of the introduction of a performance-related conditional tender offer, which provides that, in the event that the NAV total return per share fails to equal or exceed the MSCI All Country Asia ex Japan Index (sterling adjusted) over a five year assessment period commencing 1 September 2021, the Board will put forward proposals to shareholders to undertake a tender offer.

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

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### Morningstar Analyst Rating™



© Morningstar Analyst Rating™  
Morningstar analysts assign the ratings globally on a five-tier scale with three positive ratings of Gold, Silver and Bronze.

### Morningstar Sustainability Rating™



### Morningstar Rating™



© 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.

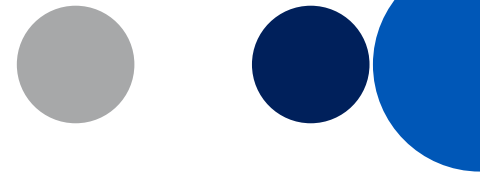
### Ten largest equity holdings (%)

TSMC	Taiwan	10.7
Samsung Electronics Pref.	Korea	8.1
Tencent	China	5.9
AIA	Hong Kong	4.9
Oversea-Chinese Banking Corp	Singapore	2.5
Housing Development Finance	India	2.4
ASML	Netherlands	2.4
SBI Life Insurance	India	2.1
DBS	Singapore	2.0
Bank Central Asia	Indonesia	1.9
<b>Total</b>		<b>42.9</b>

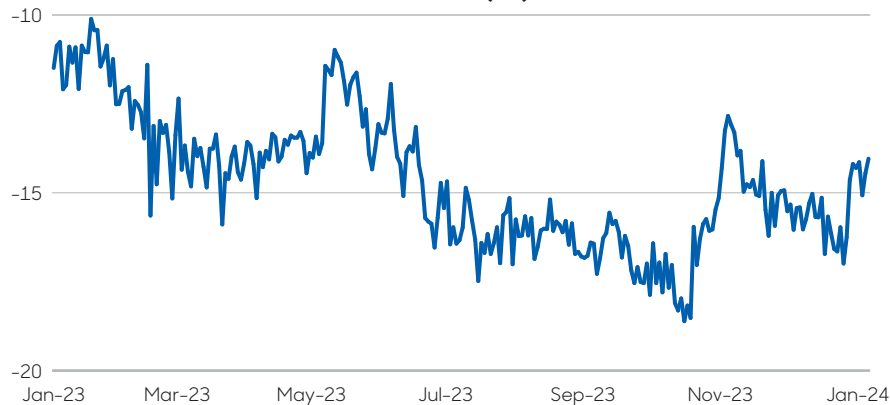
**Total number of investments 65**

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 Chairman Jay Powell indicated that the long-awaited easing of monetary policy may start later than hoped. Attacks on commercial shipping in the Red Sea and a North Korean missile launch also heightened geopolitical risk, which in turn, affected investor sentiment. China remained among the weakest markets in the region due to the slower-than-expected consumer recovery and renewed concerns about the property market following a Hong Kong court's order that Evergrande, one of China's largest property groups, should be wound up. Fourth-quarter GDP in China came in slightly below expectations, but growth for 2023 as a whole was ahead of target. The IMF raised its 2024 forecasts for both China and India. Taiwan was among the more resilient markets following the presidential elections, which were won by Lai Ching-te, the candidate from the ruling party. Meanwhile, Indian equities continued to outperform the wider region in January despite some volatility caused by the financial sector.

In corporate news, our core tech holdings, Taiwan Semiconductor Manufacturing Company (TSMC) and Samsung Electronics (Samsung), reported fourth-quarter earnings in January. TSMC's results beat expectations, and there was evidence of good demand for its N3 semiconductor nodes while AI-related demand continued to grow. Smartphone products have also rebounded in recent months, and the company's forecast sales growth for 2024 was higher than expected. Meanwhile, Samsung remained bullish on the outlook for memory chip demand and confirmed the new shareholder returns policy for 2024-26, which underlined management's confident expectations of an earnings recovery.

The month also saw a solid production update from Woodside Energy (Woodside). Woodside's production figures for the final quarter of 2023 were towards the top end of its guidance range, and its forecast for 2024 was higher than expected. However, sentiment was mainly driven by the ongoing merger talks with fellow Australian oil and gas group Santos. Talks on this deal have since ended, with neither side able to agree on a valuation.

### Fund managers' report continues overleaf

<sup>c</sup> Represents the individual country returns calculated using the MSCI Index Series (£). Market change is total return in GBP.  
<sup>d</sup> Expressed as a percentage of average daily net assets for the year ended 31 August 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.

## Country allocation (%)

	Trust	Regional Index	Month's market change <sup>c</sup>
China	24.2	29.2	(10.5)
India	17.0	21.1	2.5
Taiwan	15.5	19.5	(1.0)
Korea	10.2	14.4	(9.9)
Hong Kong	9.7	5.5	(9.6)
Australia	4.8	-	-
Indonesia	4.7	2.3	(1.5)
Singapore	4.4	3.7	(4.3)
Netherlands	3.1	-	-
Vietnam	1.8	-	-
Philippines	1.5	0.8	1.1
United Kingdom	1.3	-	-
Malaysia	-	1.6	(0.2)
Thailand	-	2.0	(7.8)
Cash	1.8	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Source: abrdn Investments Limited and MSCI. Figures may not add up to 100 due to rounding.

## Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	14.29	15.35
Beta	0.92	1.00
Sharpe Ratio	(0.81)	0.02
Annualised Tracking Error	3.49	3.95
Annualised Information Ratio	(0.74)	(0.05)
R-Squared	0.95	0.93

Source: abrdn & 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 August
Accounts published	November
Annual General Meeting	December
Dividend paid	December
Launch date	1987
Fund managers	James Thorn, Pruksha lamthongthong
Ongoing charges <sup>d</sup>	0.91%
Annual management fee	0.75% on net assets up to £350m; 0.5% on net assets above £350m
Premium/(Discount) with debt at fair value	(14.0)%

## Fund managers' report – continued

There were also some important updates from a number of our holdings in the financials sector. AIA Group announced the adoption of an automatic share buyback programme, which means that purchases won't stop during the blackout period ahead of results. We view this positively as it will probably reduce share price volatility and the number of arbitrage opportunities. Elsewhere, third-quarter net profit from India's HDFC Bank beat expectations, although that was due to a one-off tax benefit. There was no deterioration in the bank's asset quality, but credit provisions came in higher than expected, and the market reacted to concerns that tightening liquidity and slower deposit growth might affect future loan growth. SBI Life Insurance's third-quarter operating performance was in line with expectations, with growth and profit margins still better than those of its peers. New product launches and distribution investments helped to drive its industry-leading growth.

Elsewhere, ASML and ASM International in the Netherlands did well. ASML's shares made gains after the company reported record sales and earnings, which surprised the market positively. At ASM International, the company's outlook strengthened on the back of continued visibility on investment in advanced semiconductor technologies. Apart from their respective fundamental strengths, both these companies and TSMC benefited from positive AI sentiment. Taiwan's Silergy was a notable exception to the generally positive sentiment as its shares dropped back after a strong run in previous months.

### Outlook

The outlook for China remains difficult. There are some signs of stabilisation, and earnings growth is still coming through, but policy support to date has been insufficient to address the fundamental and interlinked vulnerabilities in the property sector and local government financing vehicles in order to provide a sufficient boost to consumer sentiment. Meanwhile, geopolitical risks continue to ratchet up as we head towards a US election later in the year. That said, a lot of the bad news is already priced into the Chinese market, while a potential peaking of US interest rates and US dollar strength could bode well for Asian markets this year. Elsewhere, the rebound in the tech cycle continued, while growth in Asia ex-China has been more resilient, particularly in India. The Indian economy is in the early stages of a cyclical upswing. Geopolitics bears watching, though, given that 2024 is an active year for elections, with polls in Indonesia (February), India (April) and the US (November). Judging from survey results thus far, it looks like policy continuity across Asia. Asian valuations remain attractive versus markets like the US, along with expectations of better earnings performance in the fourth quarter and early 2024.

Over the longer term, we see the most attractive opportunities around some key structural themes in Asia. Rising affluence is spurring growth in premium consumption in areas including financial services, while urbanisation and an infrastructure boom are set to benefit property developers and mortgage providers. Growing technology adoption and integration means a bright future for plays on gaming, internet, fintech and tech services like the cloud, with Asia's tech supply chains well positioned for the rollout of 5G, big data and digital interconnectivity. In healthcare, Asia is home to a diverse range of companies leading advancements in biotech and medical device technology. 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.

<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.

<sup>H</sup> Includes current year revenue.

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

### Key information continued

Yield <sup>E</sup>	1.9%
Net gearing with debt at par <sup>F</sup>	8.5%
Active share <sup>G</sup>	69.1%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

### Assets/Debt (£m)

Gross <sup>H</sup>	705.7
Debt	59.3
Cash & cash equivalents	4.3

### Capital structure

Ordinary shares	162,457,920
Treasury shares	50,049,427

### Allocation of management fees and finance costs

Capital	75%
Revenue	25%

### Trading details

Reuters/Epic/Bloomberg code	DGN
ISIN code	GB0002945029
Sedol code	0294502
Stockbrokers	WINS Investment Trusts
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.asiadragontrust.co.uk](http://www.asiadragontrust.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.
- 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.

### Other important information:

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