

# abrdrn Asian Income Fund Limited

Target consistent income and capital growth from a fund invested in some of Asia's most successful and promising companies, expertly managed by teams on the ground

Performance Data and Analytics to 31 December 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<br>31/12/24 | 1<br>month | 3<br>months | 6<br>months | 1<br>year | 3<br>years | 5<br>years |
|----------------------------------|-------------------|------------|-------------|-------------|-----------|------------|------------|
| Share Price                      | 220.0p            | 1.9        | 2.6         | 4.8         | 12.0      | 11.0       | 31.0       |
| NAV <sup>A</sup>                 | 251.4p            | 1.1        | 1.6         | 3.8         | 10.8      | 9.5        | 37.2       |
| MSCI AC Asia Pacific<br>ex Japan |                   | 0.4        | (1.5)       | 2.8         | 12.6      | 6.7        | 24.7       |

## Discrete performance (%)

|                                  | 31/12/24 | 31/12/23 | 31/12/22 | 31/12/21 | 31/12/20 |
|----------------------------------|----------|----------|----------|----------|----------|
| Share Price                      | 12.0     | 1.8      | (2.7)    | 5.2      | 12.1     |
| NAV <sup>A</sup>                 | 10.8     | 2.5      | (3.6)    | 11.0     | 12.9     |
| MSCI AC Asia Pacific<br>ex Japan | 12.6     | 1.6      | (6.8)    | (1.8)    | 19.0     |

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: abrdrn 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™



**Kepler**  
**INCOME**  
**2025**

## 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    | 13.8        |
| Power Grid                             | India     | 3.6         |
| DBS                                    | Singapore | 3.5         |
| Samsung Electronics                    | Korea     | 3.1         |
| Oversea-Chinese<br>Banking Corporation | Singapore | 3.0         |
| MIRVAC                                 | Australia | 2.9         |
| United Overseas Bank                   | Singapore | 2.8         |
| Taiwan Mobile                          | Taiwan    | 2.7         |
| BHP                                    | Australia | 2.6         |
| Mediatek                               | Taiwan    | 2.5         |
| <b>Total</b>                           |           | <b>40.4</b> |

**Total number of investments** 57

All sources (unless indicated): abrdrn: 31 December 2024.



## 1 Year Premium/Discount Chart (%)



## Fund managers' report

### Market and portfolio review

Asian equities rose marginally in sterling terms in December. Investors generally turned cautious in the run-up to US President-elect Donald Trump's inauguration on 20 January 2025 and the potential impact of his tariff policies. Sentiment was also dampened by the US Federal Reserve's (Fed) more hawkish stance for 2025 despite delivering a 25 basis point interest rate cut. The Fed indicated that interest rates are likely to be 'higher for longer', driven by renewed inflation concerns. Rate cut expectations were dialled back to two cuts next year, down from four in September.

China equities, however, rebounded on the back of onshore buying and a strong information technology sector, posting also their first annual gain in three years. Elsewhere, Hong Kong closed marginally higher, but Taiwan performed well, buoyed by semiconductor stocks.

South Korea lagged amid political turmoil and a weak currency. Australia equities also fell to a larger degree than their peers as they tracked the sell-off in US equities and due to sticky inflation, which prompted the Reserve Bank of Australia to leave interest rates unchanged.

On the corporate front, Taiwan Semiconductor Manufacturing reported an increase in year-on-year sales, although some weakness was seen towards the end of 2024 due to Apple's product build peaking in October. Hon Hai Precision Industry also saw its annual sales move higher, with its Cloud and Networking products continuing to lead the way, offsetting weakness in the consumer electronics division due to subdued iPhone 16 sales. In the property sector, China Resources Land revealed that home sales value rose

### 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       | 26.8         | 18.9           | 5.9                   |
| Singapore    | 18.6         | 3.4            | 0.3                   |
| Australia    | 17.8         | 14.8           | (6.5)                 |
| China        | 11.2         | 26.6           | 4.2                   |
| India        | 6.6          | 18.6           | (1.4)                 |
| Hong Kong    | 5.7          | 4.0            | 1.0                   |
| Thailand     | 3.6          | 1.4            | (0.5)                 |
| Korea        | 3.5          | 8.6            | (5.9)                 |
| Indonesia    | 2.4          | 1.4            | (1.9)                 |
| New Zealand  | 1.5          | 0.4            | (2.9)                 |
| Malaysia     | -            | 1.5            | 1.5                   |
| Philippines  | -            | 0.5            | 0.5                   |
| Japan        | 1.0          | -              | -                     |
| 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 | 12.81   | 13.65   |
| Beta                                  | 0.84    | 0.87    |
| Sharpe Ratio                          | 0.03    | 0.36    |
| Annualised Tracking Error             | 4.67    | 5.61    |
| Annualised Information Ratio          | 0.40    | 0.46    |
| R-Squared                             | 0.90    | 0.85    |

Source: abrdrn & Factset.

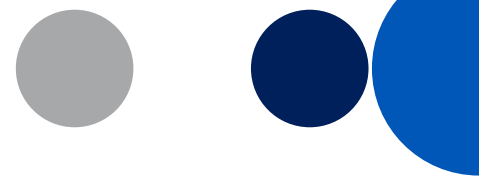
Basis: Total Return, Gross of Fees, GBP.

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)                 | (12.5)%                         |
| Yield <sup>e</sup>                 | 5.4%                            |
| Net cash/(gearing) <sup>f</sup>    | (7.2)%                          |
| Active share <sup>g</sup>          | 71.2%                           |



## Fund managers' report - continued

in November, enjoying an immediate boost from the latest round of easing restrictions for home purchases. December saw Tencent Holdings launch a grey test on a new gifting feature in its Mini Shops. We expect the new gifting function will attract more merchants after the full-scale rollout of the function, adding longer-term upside to e-commerce-related transactions and advertising revenues.

There was no major portfolio activity to report over the month.

### Outlook

Sentiment appears volatile around Asia over the short term given the looming inauguration of Donald Trump as US President on 20 January 2025 and what that might mean regarding tariff risks, especially for China. The implications of Trump 2.0 for the broader region are complex. Trump is likely to drive uncertainty and volatility, which could create opportunities for long-term investors. Higher tariffs and trade barriers are expected, hurting China and prompting aggressive domestic growth efforts. Export markets may face pressure from higher tariffs and limited US rate cuts. Geopolitical tensions remain challenging, with potential shifts in Asia if Trump follows his first-term playbook. However, Asia's diversity means the entire region should not be painted with a broad brush.

We continue to ensure 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                | 406.0 |
| Fixed Income            | 0.0   |
| Gross Assets            | 410.3 |
| Debt                    | 32.4  |
| Cash & cash equivalents | 5.2   |

### Capital structure

|                 |             |
|-----------------|-------------|
| Ordinary shares | 150,306,492 |
| Treasury Shares | 44,626,897  |

### 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                | Peel Hunt LLP |
| 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.abrdn.com/AAIF](http://www.abrdn.com/AAIF)



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# abrdrn Asian Income Fund Limited

## Statement of Operating Expenses

Publication date: 9 October 2024

|  | Year ended<br>31 Dec 2023 | % of Average<br>NAV | Year ended<br>31 Dec 2022 | % of Average<br>NAV | % Change<br>(YOY) |
|--|---------------------------|---------------------|---------------------------|---------------------|-------------------|
| <b>Recurring Operating Expenses (£000s)</b>                            |                           |                     |                           |                     |                   |
| Management Fee (inc AIFM)  | 3,041                     | 0.77%               | 3,270                     | 0.78%               | -7.0%             |
| Custody fees and bank charges  | 98                        | 0.02%               | 143                       | 0.03%               | -31.5%            |
| Promotional activities   | 200                       | 0.05%               | 206                       | 0.05%               | -2.9%             |
| Directors remuneration   | 175                       | 0.04%               | 164                       | 0.04%               | 6.7%              |
| Auditors' remuneration   | 59                        | 0.01%               | 53                        | 0.01%               | 11.3%             |
| Other administrative expenses  | 317                       | 0.08%               | 331                       | 0.08%               | -4.2%             |
| Ongoing Operating Expenses (ex indirect fund management expenses)      | 3,890                     | 0.98%               | 4,167                     | 0.99%               | -6.6%             |
| Expenses relating to investments in other collective investments       |                           | 0.02%               |                           | 0.02%               |                   |
| Ongoing Operating Expenses (inc indirect fund management expenses)     | 3,890                     | 1.00%               | 4,167                     | 1.01%               | -6.6%             |
| Average Net Asset Value  | 395,914                   |                     | 421,170                   |                     | -6.0%             |
| <b>Operating Expense Ratio (ex indirect fund management expenses)</b>  | <b>0.98%</b>              |                     | <b>0.99%</b>              |                     |                   |
| <b>Operating Expense Ratio (inc indirect fund management expenses)</b> | <b>1.00%</b>              |                     | <b>1.01%</b>              |                     |                   |

|   | Year ended<br>31 Dec 2023 | % of Average<br>NAV | Year ended<br>31 Dec 2022 | % of Average<br>NAV | % Change<br>(YOY) |
|---|---------------------------|---------------------|---------------------------|---------------------|-------------------|
| <b>Transaction costs and other one-off expenses (£000s)</b> |                           |                     |                           |                     |                   |
| Transaction costs   | 329                       | 0.08%               | 138                       | 0.03%               | 138.4%            |
| Performance fees  |                           | 0.00%               |                           | 0.00%               |                   |
| Other non-recurring expenses                                | 18                        | 0.00%               | 42                        | 0.01%               | -57.1%            |
| <b>Total</b>  | <b>347</b>                | <b>0.09%</b>        | <b>180</b>                | <b>0.04%</b>        | <b>92.8%</b>      |

## Current Service Providers

|                          |                                       |
|--------------------------|---------------------------------------|
| Non-EEA AIFM             | abrdrn Asia Limited                   |
| Investment Manager       | abrdrn Asia Limited                   |
| UK Administrator         | abrdrn Investments Limited            |
| Company Secretary        | JTC Fund Solutions (Jersey) Limited   |
| Fund Accounting Services | BNP Paribas Fund Services UK Limited  |
| Auditor                  | KPMG Channel Islands Limited          |
| Custodian                | BNP Paribas S.A. London Branch        |
| Registrar                | Link Market Services (Jersey) Limited |
| Corporate Broker         | Peel Hunt                             |

## Summary of Current Key Commercial Arrangements

abrdrn Asia Limited provides portfolio and risk management services and acts as the Company's non-EU 'alternative investment fund manager' for the purposes of the Alternative Investment Fund Managers Directive 2011/61/EU.

abrdrn Investments Limited (a UK based wholly owned subsidiary of abrdrn plc, authorised and regulated by the Financial Conduct Authority) has been appointed to provide general administrative and advisory services, fund accounting, secretarial, marketing and promotional activities as well as group risk and compliance reporting to the Company. aIL has sub-delegated fund accounting services to BNP Paribas Services UK Limited.

JTC Fund Solutions (Jersey) Limited (JTC) has been appointed under an administration agreement between JTC and the Company to provide certain Jersey based services including, but not limited to Jersey administration services and compliance with applicable Jersey codes (including provision of a compliance officer, money laundering reporting officer and money laundering compliance officer). JTC also provide a registered office and company secretarial services.

Termination of the management agreement is subject to six months' notice. Further details of the management fee arrangements are contained in notes 5 and 20 to the financial statements in the Annual Report.

No performance fee.

| Fee scale | % of Market Cap |
|-----------|-----------------|
| £0-£350m  | 0.80%           |
| >£350m    | 0.60%           |

| Directors fee rates (£)     | Year ended<br>31 Dec 2023 | Year ended<br>31 Dec 2022 | % change<br>YoY |
|-----------------------------|---------------------------|---------------------------|-----------------|
| Chairman                    | 45,000                    | 42,000                    | 7.1%            |
| Chair of Audit Committee    | 36,500                    | 34,000                    | 7.4%            |
| Senior Independent Director | 32,000                    | 30,000                    | 6.7%            |
| Director                    | 31,000                    | 29,000                    | 6.9%            |
| Number of Directors         | 5                         | 6                         |                 |

## Important Information

The Statement of Operating Expenses is designed to help investors understand the impact of operating expenses on financial performance.

Operating expenses are NOT deducted from the value of an investor's shareholding, which is derived from the share price.

The market value (share price) of all publicly traded companies reflects a wide range of factors, including the estimated impact of operating expenses on future financial performance.

The market value of an investment trust may diverge materially, both positively and negatively, from the reported net asset value.

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