Aberdeen Asian Income Fund Limited

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

Performance Data and Analytics to 31 October 2021

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 (currency adjusted) for Board reporting.

Cumulative performance (%)

	as at 31/10/21	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	224.5p	0.3	1.2	(0.9)	22.5	34.9	36.7
NAV[A]	254.7p	(0.6)	3.0	1.3	24.3	34.8	42.7
MSCI AC Asia Pacific ex Japan		0.1	1.3	(4.6)	9.5	38.6	49.4
MSCI AC Asia Pacific ex Japan HDY		(1.8)	(1.1)	(3.7)	15.4	14.7	21.1

Discrete performance (%)

	31/10/21	31/10/20	31/10/19	31/10/18	31/10/17
Share Price	22.5	(3.7)	14.4	(8.5)	10.7
NAV[A]	24.3	(1.5)	10.1	(5.3)	11.8
MSCI AC Asia Pacific ex Japan	9.5	12.2	12.8	(8.4)	17.7
MSCI AC Asia Pacific ex Japan HDY	15.4	(8.8)	9.1	(3.7)	9.6

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: Aberdeen Asset Managers Limited, Lipper and Morningstar.
Past performance is not a guide to future results.

[A] Including current year revenue.
[B] © 2021 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™

★★★★

[B] **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	8.4
Samsung Electronics	Korea	6.6
Momo.com	Taiwan	3.8
AusNet	Australia	3.6
Oversea-Chinese Banking Corp.	Singapore	3.5
Venture Corporation	Singapore	3.2
DBS Group	Singapore	3.1
BHP	Australia	2.5
LG Chem	Korea	2.4
Infosys	India	2.2
Total		**39.3**

Country allocation (%)

	Trust	Regional Index	Month's market change
Taiwan	20.6	14.2	(1.0)
Australia	18.9	14.8	2.2
Singapore	16.2	2.5	2.5
China	10.0	33.6	1.5
Korea	9.0	11.8	(3.9)
Thailand	6.3	1.6	1.3
India	6.2	11.6	(2.4)
Hong Kong	4.4	6.1	(0.3)
New Zealand	4.4	0.5	0.3
Japan	1.7	–	–
Indonesia	1.0	1.4	6.6
Malaysia	0.1	1.3	0.8
Philippines	–	0.6	1.7
Cash	1.2	–	–
Total	**100.0**	**100.0**	

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: Aberdeen Asset Managers Limited and MSCI.

All sources (unless indicated): abrdn: 31 October 2021.

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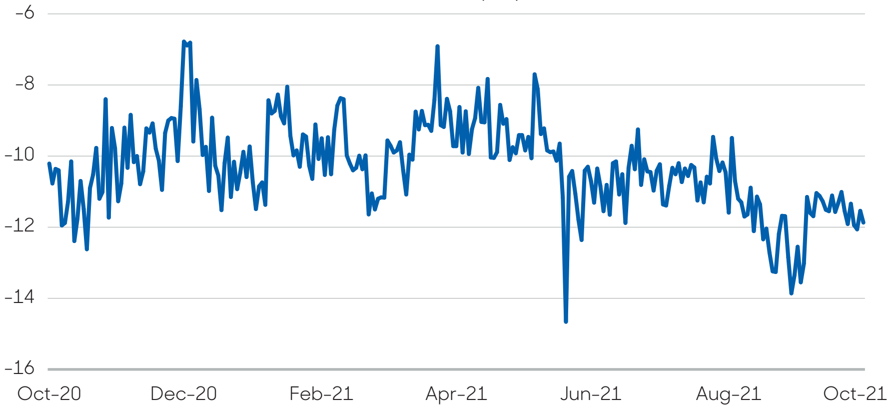
1 Year Premium/Discount Chart (%)



Fund managers' report

Market and portfolio review

October was a month of two halves for Asian equities. The start was characterised by continued weakness due to inflation concerns and the ongoing travails of Chinese property developer Evergrande. However, markets stabilised somewhat in the second half of the month as the focus moved towards the start of the results season. Elsewhere, energy prices remained elevated because of ongoing shortages and OPEC's stance of gradually increasing output, which kept the issue of wider cost inflation at the forefront of investors' minds. The world's battle against climate change dominated headlines late in the month as COP26 got underway.

On the Chinese mainland, new outbreaks of Covid-19 led to authorities reimposing curbs, and there is concern around more real estate bond defaults. Nevertheless, China and Hong Kong finished the period higher despite the continued negative news flow, as investors looked for bargains post the recent sell-off. Although the Taiwanese market rose, it fell in sterling terms. Economic growth in Taiwan slowed to 3.8% in the third quarter, with strong export and investment activity outweighing weaker private consumption. The persistent strong demand for technology goods continues to provide a healthy economic boost. The world's leading chip foundry Taiwan Semiconductor Manufacturing Company, and its smaller rival United Microelectronics, both reported record earnings in the third quarter. After a strong rebound, India was weak in US dollar terms after brokers downgraded a series of stocks on valuation grounds. Rising raw-material costs are also of concern, especially given the country is a net importer of oil.

In terms of engagement, pan-Asian life insurer AIA had its environmental, social and governance (ESG) rating upgraded from A to AA by MSCI. Talent

Fund managers' report continues overleaf

[C] Expressed as a percentage of average daily net assets for the year ended 31 December 2020. 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.
[D] With effect from 1 January 2020 the management fee was moved to a tiered basis: 0.85% of the average value of net assets up to £350 million and 0.65% of the average value of net assets in excess of £350 million.
[E] Calculated using the Company's historic net dividends and month end share price.
[F] Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.
[G] The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Total number of investments 60

Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	13.46	11.71
Beta	0.85	0.82
Sharpe Ratio	0.66	0.74
Annualised Tracking Error	6.21	5.50
Annualised Information Ratio	0.14	(0.06)
R-Squared	0.81	0.82

Source: Aberdeen Asset Management, BPSS & Datastream, 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[C]	1.10%
Annual management fee[D]	0.85% (tiered)
Premium/(Discount)	(11.9)%
Yield[E]	4.1%
Net gearing[F]	7.8%
Active share[G]	79.5%

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt (£m)

Equities	483.5
Fixed Income	3.7
Debt	40.0
Cash & cash equivalents	5.4

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Fund managers' report - continued

management was an issue that we had been engaging with the company on, and where we had seen improvement. MSCI indicated that the upgrade was due to AIA's improved performance on human capital development. The company's employee turnover rate dropped to 9.5% in 2020 from 13.5% in 2019, compared to the 2020 average of 12.8% for the global life and health insurance industries. Moreover, MSCI added that AIA was included in the World's Best Employers list by Forbes in 2020. It also acknowledged the firm's responsible investment initiatives.

There was no major portfolio activity in October.

During the month, all three major Singaporean banks, DBS, OCBC and UOB, reported strong results as economic activity continued to recover from the effects of the pandemic. Profit was also boosted by lower credit charges and good performance in their respective wealth management divisions. DBS is the only one of the three that pays a quarterly dividend. It announced a payout of S$0.33 per share, a significant increase from S$0.18 in the third quarter of last year. In addition, Shopping Centres Australasia lifted its earnings guidance to reflect acquisitions, better supermarket sales and a lower-than-expected impact from Covid-19. It also provided initial distribution per stapled security and adjusted funds-from-operations guidance of A$0.15, which was above broker estimates. On a less positive note, Lotus Retail Growth Property Fund reported a weak quarterly result due to Covid-19 related restrictions in malls since the mid-year. Net investment and rental income both fell on the back of this. The quarterly distribution has not yet been announced, but we anticipate it to fall to around 0.13-0.14 per share from the prior 0.18-0.19 level. However, we expect it to rebound as business conditions normalise.

Outlook

Despite renewed outbreaks of Covid-19, regulatory pressures, particularly in China, and worries over inflation and rising rates, we see reasons to be optimistic about Asian equities. While regulatory risks persist in China, we believe the authorities want to strike a good balance between promoting innovation and achieving its political goals. In particular, we prefer high-quality companies that have strong links to domestic consumption. Being in line with the strategic aims of Chinese authorities, the sector should be better positioned to withstand regulatory headwinds, and therefore continue to prosper.

Moreover, despite coronavirus-related disruptions, corporate earnings growth remains likely to rebound this year, led by the robust tech hardware sector, which could consequently boost dividend payouts. Vaccination rates are now accelerating across the region and should gradually lead to easing restrictions and further economic reopening. This would help mitigate inflationary pressures tied to near-term supply chain bottlenecks. As stock-pickers, we remain focused on companies with pricing power and the ability to pass through cost pressures. We also maintain our preference for companies with robust balance sheets and healthy cash levels to underpin dividends.

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

Capital structure

Ordinary shares	174,887,209
Treasury Shares	20,046,180

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.invtrusts.co.uk/#signup
www.asian-income.co.uk

Contact

Private investors
0808 500 0040

Institutional investors
InvestmentTrustInvestorRelations-UK@abrdn.com

+44 (0)20 7463 5971
+44 (0)13 1222 1863

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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