Asia Dragon Trust plc

Capturing growth from world-class Asian companies

Performance Data and Analytics to 31 August 2022

Investment objective

To achieve long term capital growth through investment in Asia. The company's benchmark is the MSCI AC Asia ex Japan Index. Investments are made mainly in stock markets in the region, with the exception of Japan and Australasia, principally in large companies. When appropriate, the trust will utilise gearing to maximise long term returns.

Benchmark

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

Cumulative performance (%)

	as at 31/08/22	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	446.0p	1.8	2.3	(5.9)	(11.8)	14.7	30.5
NAV[A]	512.0p	4.7	3.8	(1.0)	(8.6)	15.3	29.4
MSCI AC Asia ex Japan		4.6	2.4	1.0	(7.1)	18.2	21.1

Discrete performance (%)

	31/08/22	31/08/21	31/08/20	31/08/19	31/08/18
Share Price	(11.8)	24.3	4.6	10.0	3.4
NAV[A]	(8.6)	20.5	4.7	9.7	2.3
MSCI AC Asia ex Japan	(7.1)	14.7	10.9	0.3	2.2

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.

Morningstar Analyst Rating™

Bronze

[B] 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™

[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 equity holdings (%)

TSMC	Taiwan	8.8
Samsung Electronics Pref.	Korea	6.0
Tencent	China	4.8
AIA	Hong Kong	4.6
Housing Development Finance	India	4.5
Bank Central Asia	Indonesia	3.4
Alibaba	China	2.9
DBS Group	Singapore	2.8
Kweichow Moutai	China	2.4
Oversea-Chinese Banking Corp	Singapore	2.3
Total		**42.5**

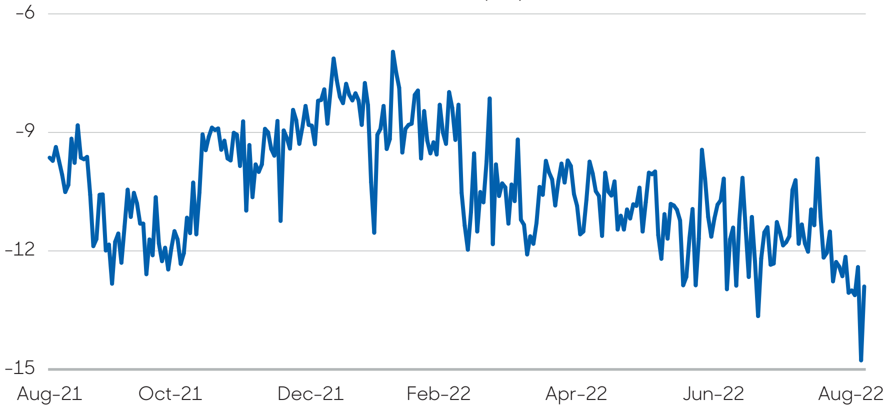
Total number of investments 64

[A] Including current year revenue.
[B] 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.

All sources (unless indicated): abrdn: 31 August 2022.

Asia Dragon Trust plc

1 Year Premium/Discount Chart (%)



Fund managers' report

Market and portfolio review

Asian equities rose in August in sterling terms, and outperformed western developed markets. Risk appetite waned following hawkish comments by US Federal Reserve (Fed) chairman Jay Powell. He said the Fed would keep US interest rates high for a lengthy period and that restoring price stability would probably cause a painful economic slowdown. Central banks in Indonesia and South Korea raised interest rates, while the European Central Bank also signalled more rate increases. China's onshore markets ended the month relatively unchanged. While there was news of fresh Covid-19 measures in some parts of the country, this was counterbalanced by a new package of economic support measures. The central government also moved to address the deepening property crisis by offering special loans to ensure that stalled housing projects are delivered to buyers.

Emerging markets in the region were more resilient, with India, Indonesia, the Philippines and Thailand all making gains. In India, inflation moderated, while there were signs that foreign institutional investors were buying shares once again after a period of selling.

In corporate news, Tencent reported weak second-quarter results, as expected, with the first drop in quarterly revenue in its history. However, its bottom-line earnings were better than expected, reflecting progress with its efficiency drive, and the company may unlock more value by selling its stake in Chinese e-commerce group Meituan. First-quarter figures from Alibaba beat expectations, albeit from a low base. Revenue fell by 2% year on year, due to weakness in commission revenue. The decline in profit margins was also less than expected. Overall, Alibaba appears to be managing relatively well in a challenging environment.

Among our financial holdings, insurance group AIA posted second-quarter results which met expectations, with emerging signs of recovery in its key China and ASEAN markets as the Covid-19 pandemic eased, while its Hong Kong business was resilient.

On the engagement front, China Tourism Group Duty Free (CTGDF) emphasised to us in a recent meeting that the company attaches great

Fund managers' report continues overleaf

[D] Represents the individual country returns calculated using the MSCI Index Series (£). Market change is total return in GBP.
[E] Expressed as a percentage of average daily net assets for the year ended 31 August 2021. 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[D]
China	32.9	36.2	4.8
India	17.6	16.4	8.9
Taiwan	13.3	16.5	3.3
Korea	9.4	13.1	1.1
Hong Kong	8.7	7.3	0.9
Singapore	6.1	3.6	2.7
Indonesia	4.7	2.2	10.0
Philippines	2.6	0.9	7.4
Thailand	2.3	2.2	10.5
Vietnam	1.7	–	–
Malaysia	–	1.7	5.1
Cash	0.7	–	–
Total	**100.0**	**100.0**	

Source: Aberdeen Asset Managers 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	13.53	13.21
Beta	1.07	1.01
Sharpe Ratio	0.19	0.36
Annualised Tracking Error	4.01	3.83
Annualised Information Ratio	0.02	0.40
R-Squared	0.92	0.92

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 August
Accounts published	November
Annual General Meeting	December
Dividend paid	December
Launch date	1987
Fund managers	Adrian Lim, Pruksa Iamthongthong
Ongoing charges[E]	0.83%
Annual management fee	0.85% on net assets up to £350m; 0.5% on net assets above £350m
Premium/(Discount) with debt at fair value	(12.9)%

Asia Dragon Trust plc

Fund managers' report – continued

importance to ESG, and its suppliers are also paying heed to ESG concerns. The company is working with brands to promote sustainability and awareness, while, at the same time, focusing on customer and stakeholder engagement.

Contemporary Amperex Technology (CATL) has just engaged in a management reshuffle and gave us more details in a recent meeting. The company is working on improving its management structure and trying to improve its relationship with investors through more open and frequent communication. CATL is also working on tracking the carbon footprint of its products to ensure that it complies with EU regulations.

In key portfolio activity, we participated in the Hong Kong IPO of CTGDF, given the attractive discount; we already own its A shares. CTGDF is the largest duty-free operator in China and a good proxy for the rising demand for duty-free cosmetics and skincare and outbound travel on the mainland. It has been a beneficiary of China's loosening of restrictions on its lucrative duty free industry, particularly in the popular tourist island of Hainan, amid a broader supportive policy trend of the government's intention to bring overseas spending back to China. In addition, CTGDF's growing scale via acquisitions is likely to result in stronger bargaining power with the potential for a margin uplift versus new competition. Its bargaining power is also growing against airport operators following the relaxation of offshore duty free policies.

Against this, we exited Naura Technology on waning conviction and in view of more attractive opportunities elsewhere.

Outlook

We continue to see monetary policy, recession and geopolitical risks impinging on Asian markets over the coming months, with Fed pronouncements remaining a key driver of sentiment. The final stretch of 2022 is also a pivotal period for China, with the 20th National Congress of the Communist Party in October determining the next generation of leaders. We expect a continued recovery of the mainland economy, as the government uses its levers to support growth. Post-congress, we are anticipating more policy clarity and efficacy, including how China's Covid-19 policy could evolve from here.

More broadly, it is worth bearing in mind that large developed markets, such as Europe and the US, are raising interest rates to tackle soaring inflation while, at the same time, trying to stave off the risk of a recession. This contrasts with Asia, where inflation is more moderate. Also, compared with much of the developed world, many Asian economies are latecomers to a post-pandemic reopening. Therefore, we would expect growth in the short to medium term to benefit from a recovery in consumer spending, for instance. Already, we are seeing tourism make a comeback in countries like Thailand.

We continue to be positioned around structural growth themes like domestic consumption, technology and green energy. Indeed, many of our holdings in these areas now look even more attractive to us, given the recent sharp rotation away from growth stocks. Our focus remains on quality companies with solid balance sheets and sustainable earnings prospects that can emerge stronger in tough times.

[F] Calculated using the Company's historic net dividends and month end share price.
[G] Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.
[H] The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.
[I] 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[F]	1.5%
Net gearing with debt at par[G]	9.0%
Active share[H]	74.1%

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

Assets/Debt (£m)

Gross[I]	673.8
Debt	60.0
Cash & cash equivalents	4.9

Capital structure

Ordinary shares	119,686,001
Treasury shares	39,925,676

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	SETSmm

Factsheet

Receive the factsheet by email as soon as it is available by registering at www.invtrusts.co.uk/#signup
www.asiadragontrust.co.uk

Contact

Private investors
0808 500 4000

Institutional investors
InvestmentTrustInvestorRelations-UK@abrdn.com
+44 (0)20 7463 5971
+44 (0)131 222 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.
- 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: