

# abrDN 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 30 September 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 30/09/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	217.0p	2.4	2.1	8.5	15.7	11.7	29.7
NAV <sup>A</sup>	250.1p	3.6	2.2	6.8	15.7	10.6	32.4
MSCI AC Asia Pacific ex Japan		5.7	4.3	10.9	18.1	7.0	30.2

## Discrete performance (%)

	30/09/24	30/09/23	30/09/22	30/09/21	30/09/20
Share Price	15.7	0.6	(4.0)	24.7	(6.9)
NAV <sup>A</sup>	15.7	2.8	(7.0)	25.2	(4.3)
MSCI AC Asia Pacific ex Japan	18.1	2.4	(11.5)	12.1	8.6

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.

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## 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 (%)

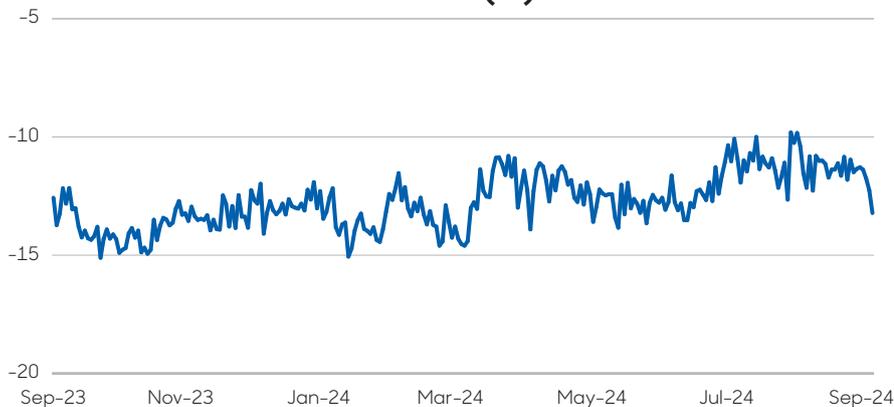
TSMC	Taiwan	11.9
Samsung Electronics	Korea	5.4
Power Grid	India	3.8
DBS	Singapore	3.8
Oversea-Chinese Banking	Singapore	3.4
BHP	Australia	3.1
United Overseas Bank	Singapore	2.6
Taiwan Mobile	Taiwan	2.6
Tencent	China	2.2
AIA	Hong Kong	2.0
<b>Total</b>		<b>40.7</b>

**Total number of investments 57**

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



## 1 Year Premium/Discount Chart (%)



## Fund managers' report

### Market and portfolio review

Asian markets posted decent returns in September, supported by the start of the US Federal Reserve's (Fed) policy easing cycle but with most of the gains occurring in the last few trading days of the month, largely driven by a sharp rally in China. The Fed cut its policy rates on 18 September, opening a window for the People's Bank of China (PBOC) to implement a more aggressive and coordinated monetary policy combination, including rate cuts and lending facilities for equity purchases and buybacks. This was reinforced by a Politburo meeting on 26 September following which we saw a loosening of housing policies. Stocks in Thailand also outperformed the region as the government initiated some economic stimulus policies. In India, the market was flat and underperformed despite the World Bank raising its full-year GDP forecast for the country. Taiwan also ended the month flat while the Korean market was one of the few across the region to remain in negative territory, continuing its volatile trend this year.

In corporate news from our holdings, China's Autohome announced that it has decided to pursue a US\$200 million (£150 million) share repurchase programme over the next 12 months. Together with annual dividends, it brings Autohome's annual shareholder return up to a decent 13.7%.

In terms of portfolio activity in September, we initiated a new position in China Construction Bank (CCB) the second-largest state-owned enterprise (SOE) bank in China, with a strong and stable retail deposit base and low funding costs. Its retail book is heavily weighted to lower-risk mortgages with some skew towards infrastructure loans. Within state-owned banks, CCB has its advantages in retail deposit and mortgages. Along with prudent management, CCB continues to stand out as a relatively better player.

### 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	23.2	16.8	(0.5)
Singapore	18.1	3.0	6.1
Australia	16.8	15.7	3.1
China	10.7	26.5	21.4
India	7.1	18.6	0.1
Hong Kong	5.8	4.1	14.7
Korea	5.7	10.0	(4.9)
Thailand	3.9	1.4	9.3
Indonesia	3.0	1.6	(0.9)
New Zealand	1.9	0.4	(3.0)
Malaysia	-	1.4	2.3
Philippines	-	0.5	3.6
Japan	0.9	-	-
Cash	2.8	-	-
<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	12.86	13.77
Beta	0.84	0.87
Sharpe Ratio	0.09	0.33
Annualised Tracking Error	4.88	5.71
Annualised Information Ratio	0.42	0.19
R-Squared	0.89	0.85

Source: abrdrn & Factset.

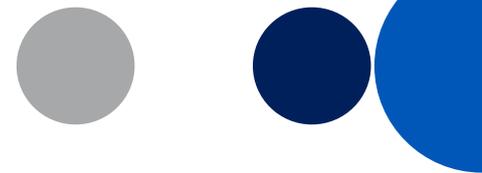
Basis: Total Return, Gross of Fees, GBP.

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)	(13.2)%
Yield <sup>e</sup>	5.5%
Net cash/(gearing) <sup>f</sup>	(5.1)%
Active share <sup>g</sup>	72.3%



## Fund managers' report - continued

Conversely, we exited our holding in Auckland International Airport in view of better opportunities elsewhere.

### Outlook

As we head into the final months of 2024, we've seen stocks across Asia rebound on the back of the Fed's rate cut and China's fresh stimulus. The question now is whether the Chinese authorities follow through with fiscal measures aimed at boosting the demand side and reviving consumer sentiment and consumption. Other key areas of focus would include rising geopolitical risks in the Middle East, where Iran's missile strike has increased the risk of a broader escalation, with direct conflict between Iran and Israel now more likely. Oil prices have spiked in response to the fragile and rapidly evolving situation, and we are monitoring developments closely. In the US, it remains a tight race between Donald Trump and Kamala Harris in the run-up to the 5 November presidential election, with the outcome bringing implications around trade, tariffs and foreign policy to Asia.

Returning to Asia, India continues to be a bright spot given the positive macro backdrop. Valuations remain full, but we continue to see opportunities from a selective bottom-up approach in high quality companies benefitting from structural tailwinds. We are also positive about the longer-term outlook of the technology sector, albeit sentiment across the tech supply chain has weakened because of concerns about the risk of a US recession and weakness in the smartphone and PC segments. Longer term, we see structural growth in generative artificial intelligence (AI), which might mean multi-year structural demand for data centre content and infrastructure upgrades, boding well for the advanced semiconductor sector.

We continue to believe that Asia remains home to some of the highest quality and most dynamic companies in the world. The region continues to offer rich pickings, underpinned by long-term structural growth trends such as the rising middle classes, rapid adoption of emerging technologies and continued urbanisation, enabling bottom-up stock pickers like us to deliver sustainable returns over the long term.

We have continued to tighten the quality characteristics of our portfolio, introducing and adding to names with greater near-term earnings visibility and steady cash flow generation, while actively reducing and exiting names where earnings are less visible. More broadly, we maintain our conviction in our holdings and their ability to navigate the various crosswinds buffeting markets, given their quality and fundamentals, 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	408.5
Fixed Income	0.0
Gross Assets	418.8
Debt	31.5
Cash & cash equivalents	11.7

### Capital structure

Ordinary shares	154,908,021
Treasury Shares	40,025,368

### 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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# abrdr Asian Income Fund Limited

## Statement of Operating Expenses

Publication date: 9 October 2024

	Year ended 31 Dec 2023	% of Average NAV	Year ended 31 Dec 2022	% of Average NAV	% Change (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>		
<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	abrdr Asia Limited
Investment Manager	abrdr Asia Limited
UK Administrator	abrdr 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

abrdr 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.

abrdr Investments Limited (a UK based wholly owned subsidiary of abrdr 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. abrdr 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 31 Dec 2023	Year ended 31 Dec 2022	% change 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)