abrdn Asian Income Fund Limited

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

Performance Data and Analytics to 31 March 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 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 (MXAPJ) (currency adjusted) for Board reporting.

Cumulative performance (%)

	as at 31/03/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	205.0p	1.0	0.7	6.7	2.6	4.6	23.8
NAV[A]	239.2p	3.5	2.2	8.3	4.4	8.5	29.8
MSCI AC Asia Pacific ex Japan		2.8	3.1	6.5	3.4	(5.8)	20.3
MSCI AC Asia Pacific ex Japan HDY		2.3	3.5	8.6	11.5	21.4	31.4

Discrete performance (%)

	31/03/24	31/03/23	31/03/22	31/03/21	31/03/20
Share Price	2.6	(2.6)	4.7	53.6	(22.9)
NAV[A]	4.4	(4.1)	8.4	46.5	(18.4)
MSCI AC Asia Pacific ex Japan	3.4	(2.7)	(6.3)	42.9	(10.7)
MSCI AC Asia Pacific ex Japan HDY	11.5	1.1	7.8	25.5	(13.8)

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.

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	10.0
Samsung Electronics	Korea	7.0
DBS	Singapore	3.8
Power Grid	India	3.2
BHP	Australia	3.1
Oversea-Chinese Banking	Singapore	3.0
United Overseas Bank	Singapore	2.6
Venture	Singapore	2.5
Taiwan Mobile	Taiwan	2.4
Bank Mandiri	Indonesia	2.2
Total		**39.6**

Total number of investments 60

[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 March 2024.

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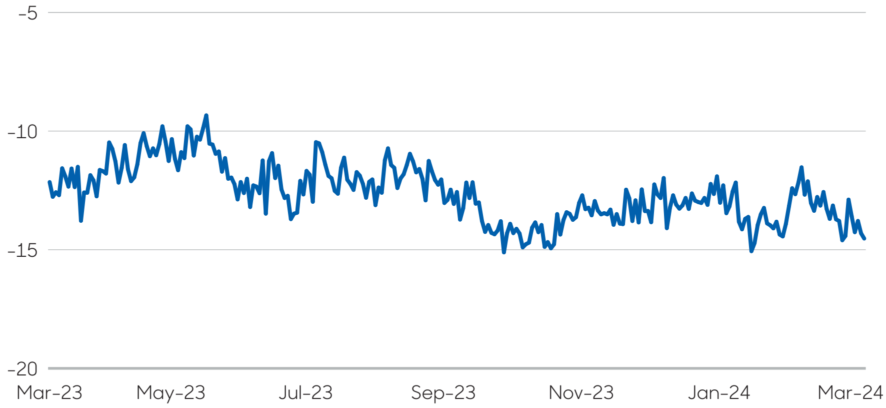
1 Year Premium/Discount Chart (%)



Fund managers' report

Market and portfolio review

Asian equities had a good month in March, which led to decent gains for the first quarter despite a weak January led by China. Sentiment improved on hopes of a soft economic landing, especially for the US, as investors awaited monetary policy easing over the coming months. Optimism over artificial intelligence (AI)-related products persisted, resulting in the technology sector being the best-performing sector. In China, there was incrementally positive economic data boosted by export strength and some consumer segments. Hong Kong stocks, however, were among the weakest in the region due to some weak corporate results, softness in the renminbi and ongoing concerns about the Chinese property sector.

Elsewhere, the Taiwan market was the top-performing market, buoyed by strength in large-cap tech names such as Taiwan Semiconductor Manufacturing Company on signs of higher-than-expected sales mix from AI. There was some variation in performance across the sector as companies that did not meet investors' expectations, or suffered production problems, underperformed. The general strength of the tech sector and the recovering memory cycle also provided a lift to many Korean stocks.

India, meanwhile, is facing a liquidity squeeze as the market made modest gains in March but was higher over the first quarter. The economy is growing rapidly and the market has been one of the best performers over the last few years, led by significant domestic investor inflows into small and mid-cap companies. Concerned about a too-rapid expansion of credit, the Reserve Bank of India has tightened credit in the system which has squeezed the financial sector and more recently has attempted to slow flows into small and mid-caps funds to guard against unsustainable valuations.

In corporate news, Tencent surprised investors with a new capital return strategy. The company intends to at least double the size of its share repurchases, from HK$49 billion (£5 billion) in 2023 to more than HK$100 billion (£10.2 billion) in 2024. In addition, the company announced a 43% year-on-year rise in its annual dividend. Hong Kong-based insurer AIA reported a double-digit

Fund managers' report continues overleaf

[C] Expressed as a percentage of average daily net assets for the year ended 31 December 2022. 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 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.
[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.

Country allocation (%)

	Trust	Regional Index	Month's market change
Taiwan	21.7	17.1	8.1
Singapore	18.9	3.0	4.0
Australia	17.4	16.5	3.1
Korea	8.6	12.4	5.4
China	8.5	24.3	1.1
India	6.6	17.1	1.0
Hong kong	5.4	4.1	(6.3)
New Zealand	4.1	0.4	(0.4)
Thailand	3.6	1.5	(0.8)
Indonesia	3.3	1.8	1.2
Japan	1.1	–	–
Malaysia	–	1.3	1.1
Philippines	–	0.6	0.1
Cash	0.8	–	–
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: abrdn Investments Limited and MSCI.

Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	12.94	13.94
Beta	0.82	0.88
Sharpe Ratio	0.13	0.35
Annualised Tracking Error	5.70	5.65
Annualised Information Ratio	1.10	0.46
R-Squared	0.86	0.86

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 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]	1.01%
Annual management fee[D]	0.75% Market Cap (tiered)
Premium/(Discount)	(14.3)%
Yield[E]	5.7%
Net cash/(gearing)[F]	(7.5)%
Active share[G]	73.7%

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Fund managers' report – continued

growth in its new business value, although the market focused more on the lack of a new shareholder return programme, given that the existing one is due to be completed in November. We have engaged with AIA's management on this. The company is in its third year of the existing share buyback programme and will look to complete this while balancing the need to invest in new business that generates a return exceeding 25% and returning cash to shareholders via share buyback and dividends. We anticipate more clarity around this as we get closer to November. From a fundamental perspective, AIA's results met our expectations, proving strong in the current backdrop.

On ESG engagement, we followed up our recent pre-AGM meeting with Samsung Electronics by sending a letter to the chairman which formalised our requests around capital management, share ownership for executive and independent directors as well as disclosure around remuneration targets. We also met with Woodside Energy's chairman and investor relations team in order to discuss broader climate strategy, governance and remuneration. The company was responsive to our suggestion that Woodside consider adding an additional long-term performance metric to the relative total shareholder return in the executive incentive scheme. We are comfortable with the company's broader climate strategy, though we will continue monitoring progress on new energy projects.

In terms of activity in the portfolio in March, we established three new positions. PICC Property & Casualty is the largest property and casualty insurer in China. One of three mainland non-life insurance groups which dominate the market, we see PICC strengthening its competitive edge in terms of economies of scale, risk pricing ability and solid capital position over the long term. The stock also tends to be relatively defensive in a weak market environment and the management has indicated that its focus is on providing stable dividend payments. Secondly, we established a position in Mirvac, a high-quality Australian property group which has an investment portfolio that provides resilient earnings as well as proven commercial and residential development capabilities, coupled with a large development pipeline. Finally, Transurban Group is the dominant toll road developer and operator in Australia. It has a steadily increasing free cash flow and dividend profile, with the bulk of its earnings inflation-linked and several levers on hand to ensure that distributions remain steady even while it is proceeding with its projects. It is a stable and cash flow-generative business, supported by a weighted average concession life of more than 35 years. All three of the above stocks have dividend yields which are above the average yield of the Trust's benchmark index.

Outlook

We continue to be positive on the outlook for Asian equities as the Federal Reserve remains committed to cutting rates, providing support for economies and markets across the region. Also, the turnaround in the IT and semiconductor cycle, green transition and near-shoring as a result of geopolitics continues to benefit companies and countries in Asia. China is clearly showing signs of bottoming and recent corporate results have underscored the strength of some business franchises. To date, elections results have been encouraging, with the latest win by an incumbent-backed candidate in Indonesia ensuring continuity in the previous government's successful policies.

We continue to ensure that 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	419.1
Fixed Income	3.3
Gross Assets	426.0
Debt	32.2
Cash & cash equivalents	2.6

Capital structure

Ordinary shares	164,600,628
Treasury Shares	30,332,761

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.abrdn.com/trustupdates www.asian-income.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.
- 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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