



abrdn Asian Income Fund Limited (formerly 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 January 2022

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 31/01/22	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	227.0p	(0.6)	2.3	3.6	7.5	27.6	40.7
NAV ^A	255.2p	(1.8)	1.2	4.2	7.4	31.2	44.1
MSCI AC Asia Pacific ex Japan		(3.1)	(4.3)	(3.1)	(7.6)	25.3	44.0
MSCI AC Asia Pacific ex Japan HDY		0.2	4.7	3.6	8.7	14.6	28.4

Discrete performance (%)

	31/01/22	31/01/21	31/01/20	31/01/19	31/01/18
Share Price	7.5	14.8	3.4	(2.0)	12.5
NAV ^A	7.4	17.4	4.1	(2.0)	12.0
MSCI AC Asia Pacific ex Japan	(7.6)	26.7	7.0	(6.2)	22.5
MSCI AC Asia Pacific ex Japan HDY	8.7	4.4	1.0	(2.2)	14.5

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.

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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	8.3
Samsung Electronics	Korea	6.8
DBS Group	Singapore	3.7
Oversea-Chinese Banking Corp.	Singapore	3.7
AusNet	Australia	3.7
BHP	Australia	3.1
Venture Corporation	Singapore	3.0
Infosys	India	2.4
LG Chem	Korea	2.3
China Resources Land	China	2.3
Total		39.3

Total number of investments 60

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



1 Year Premium/Discount Chart (%)



Fund managers' report

Market and portfolio review

Asian equities fell in January in what was a tough start to 2022 for global equities. Alongside rising Covid-19 cases and tensions on Ukraine's border, investors' appetite to hold risk assets was knocked by worries of rising inflation across the globe. This fuelled fears that central banks would have to raise interest rates further and faster than previously expected. A change in tone by the US Federal Reserve was particularly influential, with Federal Reserve Chairman Powell saying the US economy "no longer needed sustained high levels of monetary support", as US inflation almost hit a 40-year high of 7% in December. Several regional markets fell during the month, but export-heavy South Korea was hit particularly hard. Australia also sold off significantly as inflation lifted above the Reserve Bank of Australia's target range.

However, China is moving in the opposite direction. At a time when major central banks are beginning to tighten monetary policy and raise interest rates, the People's Bank of China chose to cut several key lending rates during the month as it grapples with slower growth in the mainland economy.

The technology space continues to experience contrasting fortunes. The strength in demand in the semiconductor chain was further emphasised in January, with Samsung Electronics indicating it generated its highest quarterly operating profit in four years, and Taiwan Semiconductor Co reporting the largest quarterly profit in its history. However, the Chinese internet sector continues to be dogged by the regulatory crackdown.

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.

Country allocation (%)

	Trust	Regional Index	Month's market change
Singapore	19.0	2.6	(0.1)
Taiwan	18.9	15.8	(1.0)
Australia	18.6	14.7	(7.9)
China	9.5	31.5	(2.0)
Korea	9.1	11.5	(9.3)
India	6.9	12.3	(0.4)
Thailand	6.7	1.7	1.2
Hong Kong	4.3	6.1	2.0
New Zealand	4.0	0.4	(14.1)
Japan	1.7	-	-
Indonesia	1.0	1.4	1.6
Malaysia	0.1	1.3	(2.7)
Philippines	-	0.7	5.1
Cash	0.2	-	-
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.

Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	13.02	11.40
Beta	0.90	0.81
Sharpe Ratio	0.88	0.76
Annualised Tracking Error	5.85	5.64
Annualised Information Ratio	0.23	(0.01)
R-Squared	0.81	0.80

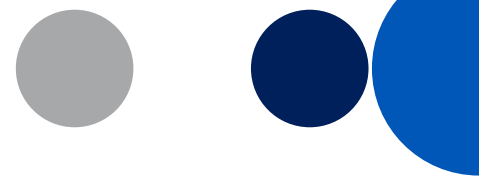
Source: Aberdeen Asset Management, BPSS & Datastream, Basis: Total Return, Gross of Fees, GBP.

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)	(11.0)%
Yield ^e	4.2%
Net gearing ^f	10.6%
Active share ^g	77.8%



Fund managers' report – continued

In Singapore, United Overseas Bank announced the acquisition of Citigroup's consumer businesses in Thailand, Indonesia, Malaysia and Vietnam for around S\$5 billion. The deal should add roughly 4% to earnings per share and boost its loan book and assets under management by around 3% and 5%, respectively. The transaction will result in a reduction in the bank's capital, but it remains at a healthy level. In other corporate activity, Australian real estate company Centuria Industrial REIT is purchasing six urban-infill assets on the eastern seaboard for A\$132 million on a 4.0% initial yield. This will be funded with debt. This is a continuation of the strategy to grow assets and distributions, as flagged in September when it raised \$300 million in equity to acquire eight assets.

Turning to portfolio activity, we added Kasikornbank to the Fund. The Thai bank is a leader in digitalisation, technology and environmental, social and governance (ESG) factors among its domestic peers. We expect it to be among the key beneficiaries of a reopening of the country and we see attractive prospects for the bank supported by a solid balance sheet, strong branch network and measured approach in digital transformation. This will also lead to dividends being reinstated.

We sold the positions in Waypoint REIT and CNOOC as we have identified better investment opportunities.

There was minimal dividend activity during the month, but Indian IT services company Tata Consultancy Services (TCS) announced a buyback of Rp180 billion at a price of Rp4,500 per share. This was 10% higher than any buyback announced by the company previously. This combined with the third interim dividend of the year amounts to a pay-out of US\$2.8 billion, or a 1.5% yield.

Outlook

Market sentiment remains vulnerable to prevailing concerns over Fed tightening and inflation amid the recent spike in the oil price. We are watchful over how monetary policy could change over the course of this year and the impact on borrowing costs, companies, sectors and the broader economy. Another key risk continues to be Omicron with cases rising rapidly across Asia, albeit it seems to be less virulent than previous Covid variants. With vaccinations ramping up across economies, however, most governments across Asia appear to be moving towards a stance of living with Covid. This will support the normalising of economic activity and as travel resumes, we should expect positive effects for consumption, businesses and the overall growth recovery.

Given the uncertain outlook, and the expectations of tighter monetary policy and higher interest rates, quality companies with strong balance sheets, that are not reliant on debt financing, look well set for the year ahead. These companies have robust business franchises, with the ability to pass on inflationary cost pressures, and continue to generate positive cash flows from their operations. This is supportive of continued shareholder returns, including dividends, in 2022 and beyond. Hence, we think the Trust is well positioned, and we remain focused on putting capital to work in investment ideas that will generate sustainable returns and income 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	485.3
Fixed Income	4.7
Debt	47.0
Cash & cash equivalents	0.8

Capital structure

Ordinary shares	171,223,957
Treasury Shares	23,709,432

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	SETSm



Factsheet

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