

Investment Case Studies



Image © Accton

Accton Technology Corp

In which year did we first invest?	2020
Where is their head office?	Hsinchu, Taiwan
What is their website?	accton.com
Holding at period end:	1.2%

Accton makes high-speed networking switches and sells them to US hyperscalers (companies such as Amazon and Facebook, which dominate cloud computing and data centres). Other customers include networking and telco equipment companies like HP, Nokia and Ericsson. We like Accton for its strong research and development (R&D) edge and broad product range. The company has a solid track record exceeding 30 years. It owns more than 1,000 patents and spends about 4% of revenues on R&D yearly, a clear commitment to innovation. Beyond this, its ambitions are anchored on replicating its success in white-box switches for data centres in the telecom domain, and operating systems development.

The business is highly cash flow generative, with industry and structural factors in Accton's favour. Barriers to entry are high. Technical designs are complex, while cost competitiveness requires scale. Close relationships with hyperscalers matter, as it takes a hyperscaler about two to three years to test and qualify a vendor. Meanwhile, increased internet usage is driving global data traffic higher, with the pandemic accelerating this trend. To meet rising data needs, hyperscalers, internet service providers and enterprises are raising data-centre capex. This is boosting demand for Accton's switches, which are also heading into a major upgrading cycle that should support earnings growth over the next few years.

On the ESG front, retention of talent is a key aspect given the integral role of R&D. Accton has implemented various measures to ensure it retains key R&D, management and production staff. These include health insurance, pension plans, and training for skills development. It also has a labour management board to coordinate labour relations and ensure that employee feedback is well received. Meanwhile, Accton continues to improve its corporate governance with the recent election of six independent directors of varied experiences ranging from finance to accounting to industry practitioners. This was part of efforts to professionalise the company and ensure that minorities are well considered. Its board now has a majority of independents at six, alongside three executive directors. Its audit committee also has an independent chairman. On the operational front, the company has appointed a new chief executive in Edgar Masri, who has had a long history with Accton as a customer, adviser and former board member. Masri's international experience and former stint as 3Com CEO could prove invaluable, as Accton increasingly deals with US and European hyperscalers and telco operators.

Commonwealth Bank of Australia

In which year did we first invest?	2005
Where is their head office?	Sydney, Australia
What is their website	commbank.com.au
Holding at period end:	1.8%

We regard Commonwealth Bank of Australia (CBA) as the best quality retail bank in Australia. CBA is the market leader in terms of domestic branches, offering a broad product portfolio. Its customers are fiercely loyal, giving the bank a funding advantage over its peers. We also like that CBA had the foresight to invest heavily in technology more than a decade ago. It overhauled its mortgage infrastructure and processes to enable real time data and a single customer view. CBA is now reaping the benefits of scale and technology, with a more efficient cost base for instance given quicker processing and approvals.

Management has a clear and consistent strategy that is focused on the retail and SME franchise, with a good track record of execution. This has led to market share gains in mortgages and growing business momentum across small and medium enterprises. CBA is also fundamentally solid, with the highest return on equity among its peers. It holds a large amount of excess capital, positioning them well for capital management in the near future, with share buybacks and higher dividends among the options.

While the bank commands a valuation premium above its peers, we see this supported by a strong retail franchise with a trusted brand that will underpin better earnings growth versus its competitors over the coming years.

CBA's quality also extends to how it addresses key ESG concerns. The bank has had to deal with reputational issues in recent years as a result of controversies around its retail sales practices, with remediation still on-going. However, we have already seen a significant strengthening of internal governance, risk control and compliance following the entry of a new chief executive, who is also restructuring divisions and divesting non-core assets. They are well ahead of peers in this regard.

Other significant efforts include a phased approach towards climate change. CBA is increasing disclosure in line with the Taskforce on Climate related Financial Disclosures, focusing on having new policies in place and undertaking detailed analysis. From there, it is moving to policy due diligence, extended scenario analysis and strategic response and finally to embedding climate considerations into its strategy, business and risk management processes. Furthermore, it is measuring the carbon intensity of equity investments, and its exposure to companies in the energy value chain being financed through its business lending portfolio. CBA is also taking steps to lower thermal coal exposure and mitigating potential stranded assets and the value risk from those over the longer term.

All this has garnered the bank an impressive ESG rating of AA from rating agency MSCI.



Image © Commonwealth Bank of Australia

Condensed Statement of Comprehensive Income

	Six months ended 30 June 2021 (unaudited)			Six months ended 30 June 2020 (unaudited)			Year ended 31 December 2020 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income									
Dividend income	9,682	-	9,682	8,792	-	8,792	16,560	-	16,560
Interest income on investments held at fair value through profit or loss	146	-	146	170	-	170	320	-	320
Traded option premiums	21	-	21	29	-	29	62	-	62
Total revenue	9,849	-	9,849	8,991	-	8,991	16,942	-	16,942
Gains/(losses) on investments held at fair value through profit or loss	-	23,794	23,794	-	(30,035)	(30,035)	-	37,573	37,573
Net currency gains/(losses)	-	205	205	-	(2,182)	(2,182)	-	217	217
	9,849	23,999	33,848	8,991	(32,217)	(23,226)	16,942	37,790	54,732
Expenses									
Investment management fee (note 10)	(691)	(1,037)	(1,728)	(632)	(947)	(1,579)	(1,248)	(1,872)	(3,120)
Other operating expenses (note 5)	(415)	-	(415)	(428)	-	(428)	(792)	-	(792)
Total operating expenses	(1,106)	(1,037)	(2,143)	(1,060)	(947)	(2,007)	(2,040)	(1,872)	(3,912)
Profit/(loss) before finance costs and tax	8,743	22,962	31,705	7,931	(33,164)	(25,233)	14,902	35,918	50,820
Finance costs	(125)	(188)	(313)	(191)	(287)	(478)	(332)	(498)	(830)
Profit/(loss) before tax	8,618	22,774	31,392	7,740	(33,451)	(25,711)	14,570	35,420	49,990
Tax expense	(1,020)	(495)	(1,515)	(713)	48	(665)	(1,482)	(627)	(2,109)
Profit/(loss) for the period	7,598	22,279	29,877	7,027	(33,403)	(26,376)	13,088	34,793	47,881
Earnings per Ordinary share (pence) (note 3)	4.32	12.68	17.00	3.97	(18.86)	(14.89)	7.41	19.69	27.10

The Company does not have any income or expense that is not included in profit/(loss) for the period, and therefore the "Profit/(loss) for the period" is also the "Total comprehensive income for the period".

The total columns of this statement represent the Condensed Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All of the profit/(loss) and total comprehensive income is attributable to the equity holders of Aberdeen Asian Income Fund Limited. There are no non-controlling interests.

The accompanying notes are an integral part of the financial statements.

Condensed Balance Sheet

	Notes	As at 30 June 2021 (unaudited) £'000	As at 30 June 2020 (unaudited) £'000	As at 31 December 2020 (audited) £'000
Non-current assets				
Investments held at fair value through profit or loss		482,334	398,961	462,823
Current assets				
Cash and cash equivalents		5,634	5,727	6,177
Other receivables		2,363	1,706	1,422
		7,997	7,433	7,599
Creditors: amounts falling due within one year				
Bank loans	8	(25,417)	(37,982)	(35,734)
Other payables		(1,081)	(1,073)	(2,518)
		(26,498)	(39,055)	(38,252)
Net current liabilities		(18,501)	(31,622)	(30,653)
Total assets less current liabilities		463,833	367,339	432,170
Creditors: amounts falling due after more than one year				
Deferred tax liability on Indian capital gains		(1,144)	(19)	(694)
Bank loan	8	(10,044)	-	-
		(11,188)	(19)	(694)
Net assets		452,645	367,320	431,476
Stated capital and reserves				
Stated capital	9	194,933	194,933	194,933
Capital redemption reserve		1,560	1,560	1,560
Capital reserve		244,760	156,721	222,751
Revenue reserve		11,392	14,106	12,232
Equity shareholders' funds		452,645	367,320	431,476
Net asset value per Ordinary share (pence)	4	257.62	207.57	245.40

The financial statements on pages 16 to 24 were approved by the Board of Directors and authorised for issue on 12 August 2021 and were signed on its behalf by:

Charles Clarke
Chairman

The accompanying notes are an integral part of the financial statements.

Condensed Statement of Changes in Equity

Six months ended 30 June 2021 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance	194,933	1,560	222,751	12,232	431,476
Buyback of Ordinary shares for treasury	-	-	(270)	-	(270)
Profit for the period	-	-	22,279	7,598	29,877
Dividends paid (note 6)	-	-	-	(8,438)	(8,438)
Balance at 30 June 2021	194,933	1,560	244,760	11,392	452,645

Six months ended 30 June 2020 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance	194,933	1,560	191,412	15,498	403,403
Buyback of Ordinary shares for treasury	-	-	(1,288)	-	(1,288)
(Loss)/profit for the period	-	-	(33,403)	7,027	(26,376)
Dividends paid (note 6)	-	-	-	(8,419)	(8,419)
Balance at 30 June 2020	194,933	1,560	156,721	14,106	367,320

Year ended 31 December 2020 (audited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance	194,933	1,560	191,412	15,498	403,403
Buyback of Ordinary shares for treasury	-	-	(3,454)	-	(3,454)
Profit for the year	-	-	34,793	13,088	47,881
Dividends paid (note 6)	-	-	-	(16,354)	(16,354)
Balance at 31 December 2020	194,933	1,560	222,751	12,232	431,476

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

The stated capital in accordance with Companies (Jersey) Law 1991 Article 39A is £260,822,000 (30 June 2020 – £260,822,000; 31 December 2020 – £260,822,000). These amounts include proceeds arising from the issue of shares by the Company, but excludes the cost of shares purchased for cancellation or treasury by the Company.

The accompanying notes are an integral part of the financial statements.

Condensed Statement of Cash Flows

	Six months ended 30 June 2021 (unaudited) £'000	Six months ended 30 June 2020 (unaudited) £'000	Year ended 31 December 2020 (audited) £'000
Cash flows from operating activities			
Dividend income received	7,507	8,653	15,765
Interest income received	153	170	328
Derivative income received	21	29	62
Investment management fee paid	(3,148)	(1,982)	(1,982)
Other cash expenses	(431)	(425)	(884)
Cash generated from operations	4,102	6,445	13,289
Interest paid	(347)	(490)	(856)
Overseas taxation paid	(1,011)	(756)	(1,520)
Net cash inflows from operating activities	2,744	5,199	10,913
Cash flows from investing activities			
Purchases of investments	(48,423)	(37,411)	(69,828)
Sales of investments	53,913	44,430	81,533
Capital gains tax on sales	(45)	-	-
Net cash inflow from investing activities	5,445	7,019	11,705
Cash flows from financing activities			
Purchase of own shares for treasury	(270)	(1,343)	(3,508)
Dividends paid	(8,438)	(8,419)	(16,354)
Net cash outflow from financing activities	(8,708)	(9,762)	(19,862)
Net (decrease)/increase in cash and cash equivalents	(519)	2,456	2,756
Cash and cash equivalents at the start of the period	6,177	3,458	3,458
Foreign exchange	(24)	(187)	(37)
Cash and cash equivalents at the end of the period	5,634	5,727	6,177

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

1. **Accounting policies – basis of preparation.** The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). The condensed Half Yearly Report has been prepared in accordance with International Accounting Standards (IAS) 34 – ‘Interim Financial Reporting’ and should be read in conjunction with the Annual Report for the year ended 31 December 2020.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council's guidance on ‘Going Concern and Liquidity Risk’ the Directors have undertaken a review of the Company's assets and liabilities. The Company's assets primarily consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale.

The condensed interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

During the period the following standards, amendments to standards and new interpretations became effective. The adoption of these standards and amendments did not have a material impact on the financial statements:

IAS 39, IFRS 4, 7, 9 and 16 Amendments	Interest Benchmark Reform Phase 2	1 January 2021
IAS 41, IFRS 1, 9, and 16 Amendments	Annual Improvements 2018-2020	1 January 2022
IFRS 3 Amendments	Conceptual Framework	1 January 2022
IAS 1 Amendments	Classification of Liabilities as Current or Non-Current	1 January 2023
IAS 1 Amendments	Disclosure of Accounting Policies	1 January 2023
IAS 8 Amendments	Definition of Accounting Estimates	1 January 2023
IAS 12 Amendments	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 4 Amendments	Deferral of effective date of IFRS 9	1 January 2023

2. **Segmental information.** For management purposes, the Company is organised into one main operating segment, which invests in equity securities and debt instruments. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.
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3. Earnings per Ordinary share

	Six months ended 30 June 2021 (unaudited) p	Six months ended 30 June 2020 (unaudited) p	Year ended 31 December 2020 (audited) p
Revenue return	4.32	3.97	7.41
Capital return	12.68	(18.86)	19.69
Total return	17.00	(14.89)	27.10

The figures above are based on the following:

	Six months ended 30 June 2021 (unaudited) £'000	Six months ended 30 June 2020 (unaudited) £'000	Year ended 31 December 2020 (audited) £'000
Revenue return	7,598	7,027	13,088
Capital return	22,279	(33,403)	34,793
Total return	29,877	(26,376)	47,881
Weighted average number of Ordinary shares in issue	175,772,271	177,136,644	176,666,175

4. Net asset value per share

Ordinary shares. The basic net asset value per Ordinary share and the net asset values attributable to Ordinary shareholders at the period end calculated in accordance with the Articles of Association were as follows:

	As at 30 June 2021 (unaudited)	As at 30 June 2020 (unaudited)	As at 31 December 2020 (audited)
Attributable net assets (£'000)	452,645	367,320	431,476
Number of Ordinary shares in issue (excluding shares in issue held in treasury)	175,704,329	176,959,690	175,824,483
Net asset value per Ordinary share (p)	257.62	207.57	245.40

5. Other operating expenses (revenue)

	Six months ended 30 June 2021 (unaudited) £'000	Six months ended 30 June 2020 (unaudited) £'000	Year ended 31 December 2020 (audited) £'000
Directors' fees	79	77	154
Secretarial and administration fees	-	-	-
Promotional activities	103	103	206
Auditor's remuneration:			
- statutory audit	20	20	38
Custodian charges	88	65	140
Other	125	163	254
	415	428	792

Notes to the Financial Statements Continued

6. Dividends on equity shares

	Six months ended 30 June 2021 (unaudited) £'000	Six months ended 30 June 2020 (unaudited) £'000	Year ended 31 December 2020 (audited) £'000
Amounts recognised as distributions to equity holders in the period:			
Second interim dividend 2020 – 2.25p per Ordinary share	–	–	3,976
Third interim dividend 2020 – 2.25p per Ordinary share	–	–	3,959
Fourth interim dividend for 2020 – 2.55p per Ordinary share (2019 – 2.50p)	4,484	4,438	4,438
First interim dividend for 2021 – 2.25p per Ordinary share (2020 – 2.25p)	3,954	3,981	3,981
	8,438	8,419	16,354

A second interim dividend of 2.25p for the year to 31 December 2021 will be paid on 20 August 2021 to shareholders on the register on 30 July 2021. The ex-dividend date was 29 July 2021.

7. **Transaction costs.** During the period expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains/(losses) on financial assets at fair value through profit or loss in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 30 June 2021 (unaudited) £'000	Six months ended 30 June 2020 (unaudited) £'000	Year ended 31 December 2020 (audited) £'000
Purchases	65	44	84
Sales	108	53	91
	173	97	175

8. **Bank loans.** On 2 March 2021, the Company entered into a new unsecured £40 million multi-currency revolving loan facility agreement with Bank of Nova Scotia, London Branch, which runs until 2 March 2024. Under the terms of the facility agreement, the Company also has the option to increase the level of the commitment from £40 million to £60 million at any time. This facility agreement replaced the existing £40 million multi currency revolving loan facility agreement with Scotiabank Europe PLC. At the period end approximately GBP 4.9 million, USD 19 million and HKD 73.5 million, equivalent to £25.5 million was drawn down from the £40 million facility. The interest rates attributed to the GBP, USD and HKD loans at the period end were 1.2558%, 1.2950% and 1.2892% respectively.

On 2 March 2021, the Company also entered into a new unsecured fixed three year £10 million credit facility with Bank of Nova Scotia, London Branch at an all-in interest rate of 1.53%. The loan is shown on the balance sheet net of expenses which are being amortised over the life of the liability.

At the period end, bank loans totalled £35,461,000 (30 June 2020 – £37,982,000; 31 December 2020 – £35,734,000).

9. Stated capital

	30 June 2021		30 June 2020		31 December 2020	
	Number	£'000	Number	£'000	Number	£'000
Ordinary shares of no par value						
Authorised	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Issued and fully paid	194,933,389	194,933	194,933,389	194,933	194,933,389	194,933

During the period 120,154 Ordinary shares were bought back by the Company for holding in treasury at a cost of £270,000 (30 June 2020 – 632,285 shares were bought back at a cost of £1,288,000; 31 December 2020 – 1,767,492 shares were bought back for holding in treasury at a cost of £3,454,000). As at 30 June 2021 19,229,060 (30 June 2020 – 17,973,699; 31 December 2020 – 19,108,906) Ordinary shares were held in treasury.

The Ordinary shares give shareholders the entitlement to all of the capital growth in the Company's assets and to all the income from the Company that is resolved to be distributed.

10. Related party disclosures and transactions with the Manager

Transactions with the Manager. The Company has an agreement with Aberdeen Standard Capital International Limited ("ASCIL") for the provision of management services. This agreement has been sub-delegated to Aberdeen Standard Investments (Asia) Limited ("ASI Asia"). Mr Young, a Director of the Company, is employed by ASI Asia as Chairman of its Asian operations. ASCIL and ASI Asia are both wholly owned subsidiaries of abrdn plc (previously known as Standard Life Aberdeen plc).

The investment management fee is payable quarterly in arrears and is based on an annual fee of 0.85% on the average net assets of the previous six months up to £350 million and 0.65% per annum thereafter. During the period, £1,728,000 (30 June 2020 – £1,579,000; 31 December 2020 – £3,120,000) of management fees were paid and payable, with a balance of £886,000 (30 June 2020 – £765,000; 31 December 2020 – £2,306,000) being payable to ASI Asia at the period end. The investment management fee is charged 40% to revenue and 60% to capital in line with the Board's expected long term returns.

The promotional activities fee is based on a current annual amount of £206,000 payable quarterly in arrears. During the period £103,000 (30 June 2020 – £103,000; 31 December 2020 – £206,000) of fees were payable, with a balance of £52,000 (30 June 2020 – £103,000; 31 December 2020 – £52,000) being payable to ASCIL at the period end.

11. Fair value hierarchy. IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the Condensed Balance Sheet are grouped into the fair value hierarchy as follows:

Notes to the Financial Statements Continued

At 30 June 2021 (unaudited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	478,589	-	-	478,589
Quoted bonds	b)	-	3,745	-	3,745
Total assets		478,589	3,745	-	482,334

At 30 June 2020 (unaudited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	394,801	-	-	394,801
Quoted bonds	b)	-	4,160	-	4,160
Total assets		394,801	4,160	-	398,961

At 31 December 2020 (audited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	458,889	-	-	458,889
Quoted bonds	b)	-	3,934	-	3,934
Total assets		458,889	3,934	-	462,823

a) Quoted equities. The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Quoted bonds. The fair value of the Company's investments in quoted bonds has been determined by reference to their quoted bid prices at the reporting date. Investments in quoted bonds which are not considered to trade in active markets have been classified as Level 2.

Fair value of financial assets. The Directors are of the opinion that the fair value of other financial assets is equal to the carrying amounts in the Condensed Balance Sheet.

Fair values of financial liabilities. The fair value of borrowings as at 30 June 2021 has been estimated at £35,567,000 (carrying value per Condensed Balance Sheet - £35,461,000) which was calculated using a discounted cash flow valuation technique. At 30 June 2020 and 31 December 2020 the fair value was the same as par at £37,982,000 and £35,734,000. Under the fair value hierarchy in accordance with IFRS 13, these borrowings are classified as Level 2.

12. Events after the reporting period. A further 175,823 Ordinary shares have been bought back by the Company for holding in treasury, subsequent to the reporting period end, at a cost of £400,000. Following the share buybacks there were 175,528,506 Ordinary shares in issue excluding those held in treasury.
13. **Half Yearly Financial Report.** The financial information for the six months ended 30 June 2021 and 30 June 2020 has not been audited.
14. Approval. This Half Yearly Financial Report was approved by the Board on 12 August 2021.

Alternative Performance Measures

Alternative performance measures are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes IFRS and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Total return. NAV and share price total returns show how the NAV and share price have performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the six months ended 30 June 2021 and the year ended 31 December 2020.

Six months ended 30 June 2021	Dividend rate	NAV	Share price
31 December 2020	N/A	245.40p	228.50p
21 January 2021	2.55p	261.57p	235.00p
22 April 2021	2.25p	253.57p	236.00p
30 June 2021	N/A	257.62p	230.00p
Total return		+6.9%	+2.7%

Year ended 31 December 2020	Dividend rate	NAV	Share price
31 December 2019	N/A	227.15p	214.00p
23 January 2020	2.50p	229.77p	212.50p
23 April 2020	2.25p	187.79p	166.00p
30 July 2020	2.25p	208.09p	183.00p
22 October 2020	2.25p	218.70p	198.25p
31 December 2020	N/A	245.40p	228.50p
Total return		+12.9%	+12.1%

Discount to net asset value per Ordinary share. The discount is the amount by which the share price is lower than the net asset value per share, expressed as a percentage of the net asset value.

		30 June 2021	31 December 2020
NAV per Ordinary share (p)	a	257.62p	245.40p
Share price (p)	b	230.00p	228.50p
Discount	(b-a)/a	(10.7%)	(6.9%)

Dividend yield. The annual dividend per Ordinary share divided by the share price, expressed as a percentage.

		30 June 2021	31 December 2020
Annual dividend per Ordinary share (p)	a	9.30p	9.30p
Share price (p)	b	230.00p	228.50p
Dividend yield	(b-a)/a	4.0%	4.1%

Alternative Performance Measures continued

Net gearing. Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due to and from brokers at the period end as well as cash and cash equivalents.

		30 June 2021	31 December 2020
Borrowings (£'000)	a	35,461	35,734
Cash (£'000)	b	5,634	6,177
Amounts due to brokers (£'000)	c	-	-
Amounts due from brokers (£'000)	d	18	-
Shareholders' funds (£'000)	e	452,645	431,476
Net gearing	(a-b+c-d)/e	6.6%	6.9%

Ongoing charges. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The ratio for 30 June 2021 is based on forecast ongoing charges for the year ending 31 December 2021.

	30 June 2021	31 December 2020
Investment management fees (£'000)	3,539	3,120
Administrative expenses (£'000)	809	792
Ongoing charges (£'000)	4,348	3,912
Average net assets (£'000)	448,400	378,122
Ongoing charges ratio (excluding look-through costs)	0.97%	1.03%
Look-through costs^A	0.06%	0.07%
Ongoing charges ratio (including look-through costs)	1.03%	1.10%

^A Costs associated with holdings in collective investment schemes as defined by the Committee of European Securities Regulators' guidelines on the methodology for the calculation of the ongoing charges figure.

The ongoing charges percentage provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which among other things, includes the cost of borrowings and transaction costs.

Investor Information

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (asian-income.co.uk) and the TrustNet website (trustnet.co.uk). Alternatively you can call 0808 500 0040 (free when dialling from a UK landline) for investment company information.

Twitter:

<https://twitter.com/AberdeenTrusts>

LinkedIn:

<https://www.linkedin.com/company/aberdeen-standard-investment-trusts>

Alternative Investment Fund Managers Directive ("Directive")

In accordance with the Alternative Investment Funds (Jersey) Regulations 2012, the Jersey Financial Services Commission ("JFSC") has granted permission for the Company to be marketed within any EU Member State or other EU State to which the Directive applies. The Company's registration certificate with the JFSC is now conditioned such that the Company "must comply with the applicable sections of the Codes of Practice for Alternative Investment Funds and AIF Services Business".

Aberdeen Standard Capital International Limited ("ASCIL"), as the Company's non-EEA alternative investment fund manager, has notified the UK Financial Conduct Authority in accordance with the requirements of the UK National Private Placement Regime of its intention to market the Company (as a non-EEA AIF under the Directive) in the UK.

In addition, in accordance with Article 23 of the Directive and Rule 3.2.2 of the Financial Conduct Authority ("FCA") Fund Sourcebook, APWM is required to make available certain disclosures for potential investors in the Company. These disclosures, in the form of a pre-investment disclosure document ("PIDD"), are available on the Company's website: asian-income.co.uk.

Pre-Investment Disclosure Document

Under the European Alternative Investment Fund Management Directive (AIFMD), in order to market the Company's shares within the UK, the Company and the Manager (categorized as a non-EU alternative investment fund manager) are required to make available certain disclosures to investors. These are published in a pre-investment disclosure document (PIDD) which can be found on the website asian-income.co.uk. The periodic disclosures required to be made by the Manager under AIFMD are set out on page 107 of the Annual Report for the year ended 31 December 2020.

Investor Warning

The Board has been made aware by Aberdeen Standard Investments that some investors have received telephone calls from people purporting to work for the Aberdeen Standard Investments, or third parties, who have offered to buy their investment company shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for Aberdeen Standard Investments and any third party making such offers has no link with the Aberdeen Standard Investments. Aberdeen Standard Investments never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact Aberdeen Standard Investments' investor services centre using the details provided below.

Dividend Tax Allowance

The annual tax-free personal allowance on dividend income is £2,000 for the 2021/2022 tax year. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will provide registered Shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the Shareholder's responsibility to include all dividend income when calculating any tax liability.

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are wanting to benefit from the growth prospects of Asian companies by investment in an investment company and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the Financial Conduct Authorities' ("FCA") rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future.

Investor Information Continued

The Company's securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investments because the Company would qualify as an investment trust if the Company were based in the UK.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc registered Shareholders holding their shares in the Company directly should contact the registrars, Link Market Services Trustees Limited, PO Box 532, St Helier Jersey JE4 5UW (e-mail shareholderenquiries@linkassetsservices.com) or Tel: 0371 664 0300 Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, Aberdeen Asian Income Fund Limited, c/o Aberdeen Standard Capital International Limited, 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB or by emailing CEF.CoSec@aberdeenstandard.com.

If you have any questions about an investment held through the Aberdeen Standard Investment Trust Share Plan, Stocks and Shares ISA or Investment Plan for Children, please telephone the Manager's Customer Services Department on 0808 500 0040. Alternatively, email inv.trusts@aberdeenstandard.com or write to Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Direct

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through the Aberdeen Standard Investment Plan for Children, Aberdeen Standard Investment Trust Share Plan and Investment Trust ISA.

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per company, while regular savers may invest from £30 per month. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in

writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust Stocks and Shares ISA

An investment of up to £20,000 can be made in the tax year 2021/2022.

The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Investors have full voting and other rights of share ownership. Under current legislation, investments in ISAs can grow free of capital gains tax.

Aberdeen Standard Investment Trust ISA Transfer

You can choose to transfer previous tax year investments to the Aberdeen Standard Investment Trust ISA which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per investment company of £250.

Terms and conditions for all the managed savings products can also be found under the literature section of invtrusts.co.uk.

Literature Request Service

For literature and application forms for the Company and Aberdeen Standard Investments' investment company products, please contact:

Telephone: 0808 500 0040

www.invtrusts.co.uk/en/investmenttrusts/literature-library

Key Information Document (“KID”)

The KID relating to the Company and published by the Manager can be found on the ‘Literature Library’ section of the Company’s website asian-income.co.uk.

Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell Youinvest; Barclays Smart Investor; Charles Stanley Direct; Fidelity; Halifax Share Dealing; Hargreaves Lansdown; Interactive Investor; Novia; Transact; Standard Life.

Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management and Financial Advice Association at pimfa.co.uk.

Independent Financial Advisers

To find an adviser who recommends on investment companies, visit unbiased.co.uk.

Regulation of stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or
<https://register.fca.org.uk/>
Email: register@fca.org.uk

The information above has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Overview

Portfolio

Financial
Statements

**General
Information**

Corporate
Information

Corporate Information

Directors

Charles Clarke, Chairman
 Mark Florance, Audit Committee Chairman
 Krystyna Nowak, Senior Independent Director
 Ian Cadby
 Nicky McCabe
 Hugh Young

Investment Manager

Aberdeen Standard Investment (Asia) Limited
 21 Church Street, #01-01 Capital Square Two
 Singapore 049480

Manager, Secretary and Registered Office

Aberdeen Standard Capital International Limited
 1st Floor, Sir Walter Raleigh House
 48 – 50 Esplanade
 St Helier
 Jersey JE2 3QB

Registered in Jersey with number 91671

Registrars

Link Market Services (Jersey) Limited
 PO Box 532
 St Helier
 Jersey JE4 5UW

Tel: 01534 847 000

e-mail: enquiries@linkgroup.co.uk
 share portal: signalshares.com

Transfer Agents

Link Asset Services
 10th Floor, Central Square
 29 Wellington Street
 Leeds LS1 4DL

Tel: 0371 664 0300
 (lines are open 8.30am-5.30pm Mon-Fri)
 Tel International: (+44 208 639 3399)

Website

asian-income.co.uk

Corporate Broker

Stifel Nicolaus Europe Limited
 15 Cheapside
 London EC2V 6ET

Bankers

The Bank of Nova Scotia, London Branch
 6th Floor, 201 Bishopsgate
 London EC2M 3NS

Solicitors

Dentons UK and Middle East LLP
 Quartermile One
 15 Lauriston Place
 Edinburgh EH3 9EP

Jersey Lawyers

Appleby (Jersey) LLP
 PO Box 207
 13-14 Esplanade
 St Helier
 Jersey JE1 1BD

Independent Auditor

KPMG Channel Islands Limited
 37 Esplanade
 St. Helier
 Jersey JE4 8WQ

Custodian

BNP Security Services S.A Jersey Branch

United States Internal Revenue Service FATCA Registration Number (GIIN)

MIXWGC.99999.SL.832

Legal Entity Identifier (LEI)

549300U76MLZF5F8MN87



