

# abrdrn New Dawn Investment Trust plc

Investing in locally chosen, high quality, Asia-Pacific companies

Performance Data and Analytics to 30 June 2023

## Proposed combination with Asia Dragon Trust plc

On 21st July 2023, the Board of abrdrn New Dawn Investment Trust plc announced that it has agreed heads of terms with the Board of Asia Dragon Trust plc in respect of a proposed combination of abrdrn New Dawn with Asia Dragon. The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of abrdrn New Dawn under section 110 of the Insolvency Act 1986 and the associated transfer of part of the assets and undertaking of abrdrn New Dawn to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme"). Under the terms of the Scheme an up to 25 per cent. cash exit opportunity will be offered to abrdrn New Dawn shareholders to realise part of their investment in the Company.

## Investment objective

To provide shareholders with a high level of capital growth through equity investment in the Asia Pacific countries excluding Japan.

## Benchmark

MSCI AC Asia Pacific ex Japan. This benchmark includes Australia and New Zealand.

## Cumulative performance (%)

	as at 30/06/23	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	255.0p	0.4	(7.1)	(9.3)	(7.2)	8.8	22.4
NAV <sup>a</sup>	292.5p	(0.1)	(6.8)	(7.8)	(7.8)	4.6	18.7
MSCI AC Asia Pacific ex Japan		0.6	(3.7)	(2.4)	(3.4)	5.6	14.0

## Discrete performance (%)

	30/06/23	30/06/22	30/06/21	30/06/20	30/06/19
Share Price	(7.2)	(15.1)	38.1	(4.1)	17.3
NAV <sup>a</sup>	(7.8)	(13.3)	30.7	2.2	11.0
MSCI AC Asia Pacific ex Japan	(3.4)	(12.5)	24.9	2.9	4.9

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: abrdrn 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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<sup>c</sup> Excluded for the purposes of calculating the investment management fee.

## Morningstar Analyst Rating™



<sup>b</sup> 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™



<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.



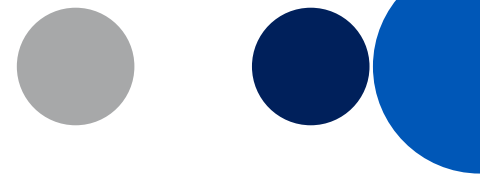
## Ten largest equity holdings (%)

abrdrn SICAV I - Indian Equity Fund A Acc	India	15.6
TSMC	Taiwan	9.1
Tencent	China	6.0
AIA	Hong Kong	6.0
Samsung Electronics	Korea	5.6
BHP	Australia	3.5
ASML	Netherlands	2.8
CSL	Australia	2.7
Budweiser	Hong Kong	2.7
Woodside	Australia	2.3
<b>Total</b>		<b>56.3</b>

**Total number of investments 47**

All sources (unless indicated): abrdrn: 30 June 2023.





## 1 Year Premium/Discount Chart (%)



## Fund managers' report

### Market and portfolio review

Asian equities advanced in June, with the benchmark MSCI AC Asia Pacific Ex Japan Index returning 0.58% in sterling (GBP) terms. The Trust underperformed by 0.66%.

Asian equity markets bounced back in June, in common with Western developed markets, as investors sensed that interest rates were close to their peaks. Moves by the Chinese central bank to cut several of its key policy rates were well received by investors, as was a request by the authorities for state-owned banks to cut their deposit rates. A drop in inflation across ASEAN also raised hopes that interest rates will be less hawkish than in the West in the short term. Across the region, Chinese stocks were among the gainers, while the Indian market also rose as retail inflation eased and the central bank kept its policy rates unchanged for the second consecutive meeting. Malaysia's market was among the few to fall back in June because of poor economic data, including a sharp fall in both exports and intermediate goods imports. Thai stocks also lagged amid continued political uncertainty and a policy rate increase by the central bank. Elsewhere, the Australian market performed well on the back of firm commodity prices.

In corporate news, Taiwan Semiconductor Manufacturing Company (TSMC) provided important updates at its recent annual general meeting. Capex investment was set at the low end of its guidance for 2023. TSMC also said it was considering further production expansion overseas and confirmed no change to its dividend policy. Sales were still expected to drop by around 10% in the first half of 2023 but should improve in the second half thanks to new product launches by TSMC's customers. South Korea's Samsung Electronics also provided a business update. Growth in demand for artificial intelligence (AI) computing boosted orders for its DDR5 and High Bandwidth Memory (HBM) chips. With DDR5 being more widely adopted, Samsung now dominates the mainstream HBM market, underlining the positive outlook for demand due to AI-related needs. Recent operational data from China Resources Land (CRL) showed sales in May up 54% year-on-year. More shopping malls are due to open this year, which should further bolster growth in rental income.

### Fund managers' report continues overleaf

<sup>o</sup> Expressed as a percentage of average daily net assets for the year ended 30 April 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.

## Country allocation (%)

	Trust	Regional Index	Month's market change
China	23.1	28.3	1.4
India	17.8	14.0	2.1
Hong Kong	11.2	5.5	0.8
Australia	10.9	16.3	2.5
Taiwan	9.1	14.9	(0.6)
Korea	9.0	11.8	(1.9)
Singapore	4.6	3.1	(0.8)
Indonesia	4.2	1.9	(2.7)
Netherlands	2.8	-	-
Vietnam	2.2	-	-
United Kingdom	2.1	-	-
Philippines	1.8	0.6	(0.6)
Sri Lanka	0.8	-	-
Malaysia	-	1.3	(4.4)
New Zealand	-	0.5	(0.6)
Thailand	-	1.8	(4.5)
Cash	0.4	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Month's market change represents the individual country total return calculated using the MSCI Index series Capital GBP. Figures may not add up to 100 due to rounding. Source: abrdn Investments Limited and MSCI.

## Fund risk statistics

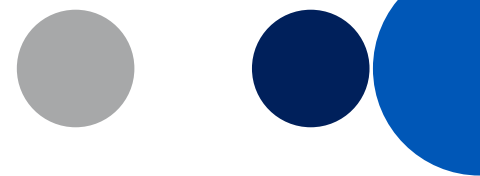
	3 Years	5 Years
Annualised Standard Deviation of Fund	13.62	14.32
Beta	0.95	0.96
Sharpe Ratio	0.10	0.24
Annualised Tracking Error	3.43	3.12
Annualised Information Ratio	0.19	0.56
R-Squared	0.94	0.96

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	30 April
Accounts published	July
Annual General Meeting	August
Dividend paid	January, September
Launch date	May 1989
Fund manager	Asian Equities Team
Ongoing charges <sup>o</sup>	1.13%



## Fund managers' report – continued

Elsewhere, there was good news for Australian biotech group CSL as the US Food and Drug Administration (FDA) approved its product, Injectafer, which improves exercise capacity in adult patients with heart failure.

In terms of key portfolio trades for June, we initiated a position in Bank of the Philippine Islands, which has a solid market position in the Philippines with one of the industry's largest deposit bases and a diversified loan book. We also introduced Contemporary Amperex (CATL), which is recognised as an industry leader globally for battery and energy storage systems. In China, it has a dominant market share and synergy within the local supply chain. Against this, we exited Zhongsheng Corp on waning conviction and in view of better opportunities elsewhere.

Lastly, in terms of ESG engagement, we engaged with Rio Tinto to discuss their ideas on measuring organisational culture and how this could be incorporated into future remuneration plans. In addition, we have regularly engaged with Shenzhen Mindray (Mindray), China's largest medical equipment maker, since 2021 to understand its ESG management framework. We were pleased to hear that Mindray recently received a triple rating upgrade from MSCI to 'AA', driven by new disclosures across human capital development, product safety and quality as well as business ethics policy and carbon emissions.

### Outlook

Concerns have re-emerged over the pace and strength of China's domestic recovery following softening macro data. Confidence among consumers and business investors is not recovering as fast as the market had hoped, and manufacturing activity has contracted for a second straight month. A key question has been whether the central government will step in with stimulus.

Under an environment where financial stress could rise, due diligence becomes even more important. In particular, we continue to assess the potential impact and risks to the underlying holdings, including banks, to ensure that their fundamentals remain sound and that their cashflows and dividends continue to be sustainable over the long term. As contagion fears persist in volatile markets, we would expect a refocus on fundamentals and a flight to quality as well as a potential peak in interest rates to be good for quality stocks. Companies that have strong balance sheets, low or minimal leverage and an ability to generate steady free cash flow will be more resilient than those which are highly geared, have frail balance sheets and weak market positions. Given our focus on quality companies, we believe that the portfolio is well positioned for the potential challenges ahead.

<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.

**The risks outlined overleaf relating to gearing, emerging markets and exchange rate movements are particularly relevant to this trust but should be read in conjunction with all warnings and comments given. Important information overleaf**

### Key information continued

Annual management fee	0.85% of net assets up to £350 million 0.50% of net assets over £350 million
Premium/(Discount)	(12.8)%
Yield <sup>E</sup>	1.7%
Net gearing <sup>F</sup>	8.8%
Active share <sup>G</sup>	66.0%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

### Assets/Debt (£m)

Gross Assets	334.5
Debt	28.6
Cash & cash equivalents	1.6

### Capital structure

Ordinary shares	104,586,348
Treasury shares	8,279,351

### Allocation of management fees and finance costs

Capital	50%
Revenue	50%

### Trading details

Reuters/Epic/Bloomberg code	ABD
ISIN code	GB00BBM56V29
Sedol code	BBM56V2
Stockbrokers	Panmure Gordon
Market makers	SETSmm



### Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.invt trusts.co.uk/#signup](http://www.invt trusts.co.uk/#signup) [www.newdawn-trust.co.uk](http://www.newdawn-trust.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.

### Other important information:

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