



abrdn Asian Income Fund Limited

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

Performance Data and Analytics to 29 February 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 29/02/24	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	203.0p	3.3	6.1	5.1	0.1	4.5	25.0
NAV ^A	231.1p	2.9	4.9	5.5	(0.2)	6.3	29.7
MSCI AC Asia Pacific ex Japan		5.2	4.3	4.7	1.3	(9.0)	21.4
MSCI AC Asia Pacific ex Japan HDY		4.1	7.2	10.0	10.2	22.3	33.1

Discrete performance (%)

	29/02/24	28/02/23	28/02/22	28/02/21	29/02/20
Share Price	0.1	1.5	2.8	21.3	(1.4)
NAV ^A	(0.2)	0.9	5.6	21.1	0.7
MSCI AC Asia Pacific ex Japan	1.3	(2.1)	(8.2)	27.6	4.5
MSCI AC Asia Pacific ex Japan HDY	10.2	4.1	6.6	10.1	(1.2)

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.

^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	9.2
Samsung Electronics	Korea	6.7
BHP	Australia	3.6
DBS	Singapore	3.6
Power Grid	India	3.5
Mediatek	Taiwan	3.4
Oversea-Chinese Banking	Taiwan	3.3
Venture	Singapore	2.7
United Overseas Bank	Singapore	2.5
Taiwan Mobile	Taiwan	2.3
Total		41.0

Total number of investments 58

All sources (unless indicated): abrdn: 29 February 2024.



1 Year Premium/Discount Chart (%)



Fund managers' report

Market and portfolio review

Asian markets rebounded in February, driven higher by news of strong corporate earnings results, especially in the technology sector following Nvidia's impressive results and strong guidance. The Chinese market led the way with the biggest gains in the region, and the Korean and Taiwanese markets also did well on continued strength in the technology sector. Korean stocks were helped further by foreign inflows following the announcement of a Corporate Value-Up programme to reform capital market policies and structures. In Indonesia, the market responded well to early indications that defence minister Prabowo Subianto was the likely winner of the presidential election. In contrast, Australia was the key relative laggard as a decline in iron ore prices weighed on the materials sector along with a soft results season driven by margin misses.

In a busy month for corporate news, Samsung Electronics announced good fourth-quarter results and made upbeat comments on the recovery in memory-related chips. It also announced new industry leading High Bandwidth Memory chips and committed to maintaining dividends at 9.8 trillion Korean won (£5.8 billion). Several of our bank holdings also announced results in February. In Singapore, DBS raised its quarterly dividend and offered a 1-for-10 bonus stock issue, whilst United Overseas Bank (UOB) is sticking to its long-standing dividend policy of a 50% payout of earnings. Elsewhere, Commonwealth Bank of Australia (CBA)'s capital position remains strong and it declared an interim dividend of \$2.15 Australian dollars (AUD), which implied a half-year payout ratio of around 72%. The bank is expected to target a full-year payout ratio of 70-80% of cash net profit after tax.

Both Telstra and Singtel increased dividend per share. Telecoms giant Telstra raised its interim dividend from AUD 8.5 cents to AUD 9 cents whilst Singtel said full-year dividends would be towards the upper end of its dividend policy, and it expects to pay out around 90% of its underlying profits for the year. Full-year

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 2022 the management fee was moved to a tiered basis: 0.8% of the average value of net assets up to £350 million and 0.6% 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
Taiwan	21.9	16.2	6.2
Singapore	19.3	3.0	1.6
Australia	16.9	16.5	0.1
Korea	8.4	12.1	8.1
China	7.9	24.9	9.1
India	7.3	17.0	3.5
Hong kong	5.9	4.6	5.3
New Zealand	4.2	0.4	(0.2)
Thailand	4.2	1.6	1.4
Indonesia	2.3	1.9	3.9
Japan	1.1	-	-
Malaysia	-	1.3	3.0
Philippines	-	0.6	6.2
Cash	0.6	-	-
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	12.86	13.94
Beta	0.81	0.88
Sharpe Ratio	0.10	0.35
Annualised Tracking Error	5.78	5.65
Annualised Information Ratio	1.20	0.44
R-Squared	0.85	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	0.80% (tiered)
Premium/(Discount)	(12.2)%
Yield ^e	5.8%
Net cash/(gearing) ^f	(7.8)%
Active share ^g	75.2%

Fund managers' report – continued

earnings from mining giant Rio Tinto were in line with expectations but the declared dividend was 3% above consensus forecasts.

We continued our engagement with Capitaland India Trust in order to better understand its strategy to grow its portfolio of green buildings (buildings that are resource-efficient and environmentally responsible throughout their life cycles). We noted that the proportion of the Trust's green-certified portfolio has risen from 87% to 99% over the course of one year. The Trust has also pursued more sustainability-linked financing, which now accounts for 58% of its loan book.

In terms of activity in the portfolio in February, we exited ASX, Digital Core REIT, Momo and Siam Cement in order to fund and build other positions, such as a new holding in Woodside Energy. Woodside is a high-quality Australian LNG operator and we decided to invest following its latest results which suggested a material improvement in the company's balance sheet and cashflow outlook from its Scarborough sell-downs, amidst its growth capex and decommissioning profile. This provides a differentiated exposure from our existing holdings in Australia and offers a high dividend yield at an attractive valuation.

Outlook

The final weeks of 2023 saw the clearest signal yet from the US Federal Reserve that its long period of tightening monetary policy could finally be coming to an end. The precise timing and scale of future rate cuts remains to be seen, but the benefits of potentially lowering borrowing costs and a weaker US dollar are likely to boost the appeal of Asian assets and currencies. Another positive economic factor is that inflation across Asia in 2023 was modest compared with many developed countries, which means interest rates have not risen as much and central banks in several countries were able to stop raising rates in the second half of 2023.

Across the region, we are seeing some stabilisation and green shoots of recovery, aided by incremental policy support in China. India's renewed capex, real estate and credit cycles are driving growth, and we continue to see the market as fundamentally compelling albeit lacking in yield opportunities. Elsewhere, Indonesia looks attractive with similarly favourable population demographics coming at a discounted valuation to forward earnings compared to the likes of India. The technology sector is likely to be a key driver of growth, with the semiconductor cycle turning and adoption of AI rising rapidly. Meanwhile, with policy interlinked closely with politics, we maintain a close watch on elections. With polls already over in Taiwan and Indonesia, it will be India's turn next in April. From the outcomes thus far, it looks like policy continuity. The US elections in November could increase political polarisation and geopolitical uncertainty.

When we look at valuations, Asia remains attractive versus markets like the US, along with expectations of better earnings performance through 2024. China now looks especially cheap and possibly oversold. More broadly, a growing valuation divergence between Asia and developed markets over the last 12 months means that Asian stocks now offer better value coupled with better forecast earnings growth. 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	411.7
Fixed Income	3.3
Gross Assets	416.2
Debt	32.2
Cash & cash equivalents	2.4

Capital structure

Ordinary shares	166,107,903
Treasury Shares	28,825,486

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 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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