

# Aberdeen Standard Asia Focus PLC

A fundamental, high conviction portfolio of well-researched Asian small caps

## Investment Trust

Performance Data and Analytics to 29 February 2020

### Investment objective

The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of smaller quoted companies (with a market capitalisation of up to approximately US\$1.5 billion at the time of investment) in the economies of Asia and Australasia, excluding Japan by following the investment policy described in detail in the Annual Report. When it is in shareholders' interests to do so, the Company reserves the right to participate in the rights issue of an investee company notwithstanding that the market capitalisation of that investee may exceed the stated ceiling.

### Comparative benchmark

The Company does not have a benchmark. 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 Small Cap Index (currency adjusted), as well as peer group comparisons for Board reporting. It is likely that performance will diverge, possibly quite dramatically in either direction, from these or any other indices. The Manager seeks to minimise risk by using in depth research and does not see divergence from an index as risk.

### Cumulative performance (%)

	as at 29/02/20	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	966.0p	(8.9)	(9.5)	(9.8)	(6.3)	1.3	17.4
Diluted NAV <sup>A</sup>	1145.9p	(2.4)	(4.5)	(6.2)	0.0	3.2	26.8
MSCI AC Asia Pacific ex Japan		(1.2)	(1.1)	(1.0)	4.5	16.3	46.8
MSCI AC Asia Pacific ex Japan Small Cap		(3.6)	(4.8)	(6.4)	(3.4)	(2.0)	23.8

### Discrete performance (%)

Year ending	29/02/20	28/02/19	28/02/18	28/02/17	29/02/16
Share Price	(6.3)	3.2	4.8	38.0	(16.0)
Diluted NAV <sup>A</sup>	0.0	(2.0)	5.3	36.2	(9.7)
MSCI AC Asia Pacific ex Japan	4.5	(3.5)	15.2	43.6	(12.1)
MSCI AC Asia Pacific ex Japan Small Cap	(3.4)	(8.6)	11.0	34.7	(6.2)

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: Aberdeen Asset Managers Limited and Morningstar.

Past performance is not a guide to future results.

### Morningstar Rating<sup>TM</sup>



<sup>B</sup> Morningstar Rating<sup>TM</sup> 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 (%)

Bank OCBC Nisp	Indonesia	4.1
John Keells	Sri Lanka	3.3
Asian Terminals	Philippines	3.2
CEBU Holdings	Philippines	2.9
Momo.com	Taiwan	2.9
Oriental Holdings	Malaysia	2.7
Aegis Logistics	India	2.7
AEM Holdings	Singapore	2.7
Hana Microelectronics	Thailand	2.6
Sanofi	India	2.6
<b>Total</b>		<b>29.7</b>

### Country allocation (%)

	Trust	MSCI Asia Small Exj Index	Month's market change
India	16.8	12.8	(3.9)
Thailand	12.0	3.2	(7.9)
Malaysia	9.6	2.9	(3.2)
Hong Kong	9.2	6.1	2.0
Singapore	8.2	5.4	(2.3)
Indonesia	7.6	1.6	(10.5)
Philippines	6.2	0.8	(5.8)
Taiwan	5.9	18.7	1.1
Korea	3.9	12.8	(4.9)
Sri Lanka	3.7	-	-
Vietnam	3.4	-	-
New Zealand	3.3	2.6	(8.1)
United Kingdom	2.6	-	-
Myanmar	2.1	-	-
China	1.9	10.2	5.4
Denmark	1.9	-	-
Pakistan	0.3	0.5	(4.3)
Australia	-	22.4	(9.7)
Cash	1.4	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

MSCI AC Asia Pacific ex Japan Small Cap. Month's market change represents the individual country returns calculated using the MSCI Index series (E). Market change is Total Return in GBP.

Index may not add up to 100 due to rounding.

Source: Aberdeen Asset Managers Limited and MSCI.

<b>Total number of investments</b>	<b>66</b>
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All sources (unless indicated):  
Aberdeen Asset Managers Limited 29 February 2020.

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<sup>A</sup> Including current year revenue.

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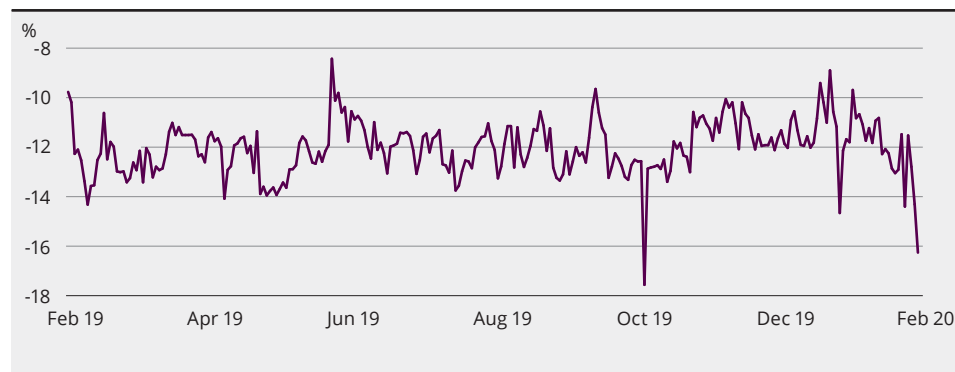
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### 1 Year Premium/Discount Chart (%)



### Fund managers' report

#### Market and portfolio review

Shares of smaller companies in Asia declined for a second month in February, tracking falls across equity markets in Asia and globally. Fears that covid-19 could trigger a global recession heightened amid a spike in cases outside China and signs of weakening economic activity across Asia. Notably, leading indicators showed a slowdown in Chinese manufacturing, as well as a slump in Korean exports to the mainland.

Despite the difficult conditions, several of our holdings continued to deliver good returns. Notably, Taiwanese e-commerce retailer Momo.com rose on higher sales as consumers increasingly turned to online purchases due to the coronavirus outbreak. Also faring well was Singapore-listed advanced chip tester AEM Holdings. Its fourth-quarter profits more than quadrupled, driven by robust order growth from its equipment systems solutions business.

Meanwhile, some of our Indian holdings were more resilient than the domestic market, which fell on disappointment over a lack of significant stimulus in the Budget. Shares of Sanofi India hit new highs after the drugmaker posted robust December-quarter results. It also declared a one-off special dividend.

In February, we introduced India's Ujjivan Financial Services (UFS), the parent of recently-initiated Ujjivan Small Finance Bank (UFSB). UFS is a cheaper proxy for USFB, and is one of the more promising small-cap prospects in India's financial sector. Despite its short history as a small-finance bank, it has done well in managing its microfinancing institutions loan book. With a good digital strategy and capable management, the lender is on track to achieve a more balanced portfolio mix that serves both the lower-income and mass-market segments. Growth of its deposit franchises will also provide a more sustainable funding source.

Against this, we tidied up a small residual position in Indonesian shipping business Wintermar Offshore Marine, given tougher operating conditions for the industry.

### Fund managers' report continues overleaf

### Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	7.85	11.03
Beta	0.56	0.69
Sharpe Ratio	0.39	0.46
Annualised Tracking Error	7.62	7.36
Annualised Information Ratio	(0.53)	(0.43)
R-Squared	0.56	0.70

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 July
Accounts published	November
Annual General Meeting	December
Dividend paid	December
Launch date	October 1995
Fund manager	Hugh Young
Ongoing charges <sup>c</sup>	1.16%
Annual management fee <sup>p</sup>	0.96%
Premium/(Discount) with debt at fair value	(15.7)%
Yield <sup>e</sup>	2.0%
Net gearing with debt at par <sup>f</sup>	12.8%
Active share <sup>g</sup>	98.7%

### AIFMD Leverage Limits

Gross Notional Commitment	2.5x 2x
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### Assets/Debt (£m)

Gross Assets	428.6
Debt (CULS + bank loan) at nominal value	54.3
Cash	6.4

### Capital structure

Ordinary shares	32,777,395
Treasury shares	8,957,918
Convertible Unsecured Loan Stock 2025 (CULS) at nominal value	£36,706,281

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 July 2019. 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 Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

<sup>p</sup> 0.96% pa of the Company's market capitalisation, based on the closing Ordinary share price quoted on the London Stock Exchange multiplied by the number of Ordinary Shares in issue (excluding those held in treasury), valued monthly.

<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.

Receive the factsheet by email as soon as it is available by registering at  
[www.investments.co.uk/ITemail](http://www.investments.co.uk/ITemail)  
[www.asia-focus.co.uk](http://www.asia-focus.co.uk)

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### Fund managers' report – continued

#### Outlook

The emergence of new covid-19 epicentres, particularly Italy and Korea, has raised the spectre of a full-blown pandemic. The economic cost may be more severe than first estimated as well, hindering supply chains worldwide and dampening retail and consumer demand. This, in turn, may jeopardise the hoped-for rebound in corporate earnings. However, decisive responses from policymakers could help cushion the impact. Encouragingly, Asian governments and central banks still have room to ease policy and expand fiscal stimulus where needed. While we do not know when conditions will normalise, our strategy is unchanged. We remain confident about the opportunities arising from the long-term structural trends that will shape Asia's growth, such as premium consumption, new technologies, and infrastructural demand. Our emphasis on regular engagement also ensures that we can adjust our portfolio positioning if there are material changes to our holdings' outlooks. That said, we continue to believe in our holdings' prospects, given their solid balance sheets, clear competitive edges and defensive earnings drivers. Hence, we are ready to take advantage of unwarranted distortions in valuations as they arise.

#### Allocation of management fees and finance costs

Capital	0%
Revenue	100%

#### Trading details

Reuters/Epic/Bloomberg code	AAS
ISIN code	GB0000100767
Sedol code	0010076
Stockbrokers	Panmure Gordon
Market makers	SETSmm

The risks outlined overleaf relating to gearing, emerging markets, small companies 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

Receive the factsheet by email as soon as it is available by registering at  
[www.investments.co.uk/ITemail](http://www.investments.co.uk/ITemail)  
[www.asia-focus.co.uk](http://www.asia-focus.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 fall 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.
- The Company invests in the securities of smaller companies which are likely to carry a higher degree of risk than larger companies.
- 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.
- Specialist funds which invest in small markets or sectors of industry are likely to be more volatile than more diversified trusts.
- 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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