

# Aberdeen Standard Asia Focus PLC

## Investment Trust

Performance Data and Analytics to 31 December 2019

### 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 31/12/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	1075.0p	0.7	1.8	(1.0)	8.1	19.3	28.1
Diluted NAV <sup>A</sup>	1216.6p	1.4	(0.1)	(1.3)	7.5	14.6	35.8
MSCI AC Asia Pacific ex Japan		3.3	2.9	2.2	14.9	32.1	62.2
MSCI AC Asia Pacific ex Japan Small Cap		1.8	(0.7)	(1.5)	6.6	13.2	39.0

### Discrete performance (%)

Year ending	31/12/19	31/12/18	31/12/17	31/12/16	31/12/15
Share Price	8.1	(2.5)	13.2	29.9	(17.3)
Diluted NAV <sup>A</sup>	7.5	(2.8)	9.7	31.2	(9.7)
MSCI AC Asia Pacific ex Japan	14.9	(8.3)	25.4	27.7	(3.9)
MSCI AC Asia Pacific ex Japan Small Cap	6.6	(12.5)	21.4	20.4	1.9

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: Aberdeen Asset Managers Limited and Morningstar.

Past performance is not a guide to future results.

### 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 (%)

Bank OCBC Nisp	Indonesia	3.8
John Keells	Sri Lanka	3.4
Asian Terminals	Philippines	3.0
CEBU	Philippines	2.9
Millennium & Copthorne	New Zealand	2.9
AEM	Singapore	2.9
Oriental Holdings	Malaysia	2.7
M.P. Evans	United Kingdom	2.6
Hana Microelectronics	Thailand	2.6
Ultrajaya Milk Industry & Trading	Indonesia	2.6
<b>Total</b>		<b>29.4</b>

### Country allocation (%)

	Trust	MSCI Asia Small ExJ Index	Month's market change
India	16.8	11.7	(2.2)
Thailand	13.4	3.6	(2.4)
Malaysia	9.6	2.9	1.7
Hong Kong	9.2	6.0	1.7
Singapore	8.5	5.3	0.7
Indonesia	7.8	1.9	4.7
Philippines	6.0	0.9	(5.0)
Taiwan	5.1	18.2	2.4
New Zealand	3.9	2.7	4.0
Sri Lanka	3.9	-	-
Vietnam	3.3	-	-
Korea	3.3	13.8	6.0
United Kingdom	2.6	-	-
Myanmar	2.3	-	-
Denmark	1.8	-	-
China	1.6	9.5	3.8
Pakistan	0.2	0.5	0.2
Australia	-	23.0	0.9
Cash	0.7	-	-
<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 (£). Market change is Total Return in GBP.

Index may not add up to 100 due to rounding.

Source: Aberdeen Asset Managers Limited and MSCI.

**Total number of investments** 68

All sources (unless indicated):

Aberdeen Asset Managers Limited 31 December 2019.

**Private investors 0808 500 0040**

**Institutional investors**

**InvestmentTrustInvestorRelations-UK**

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

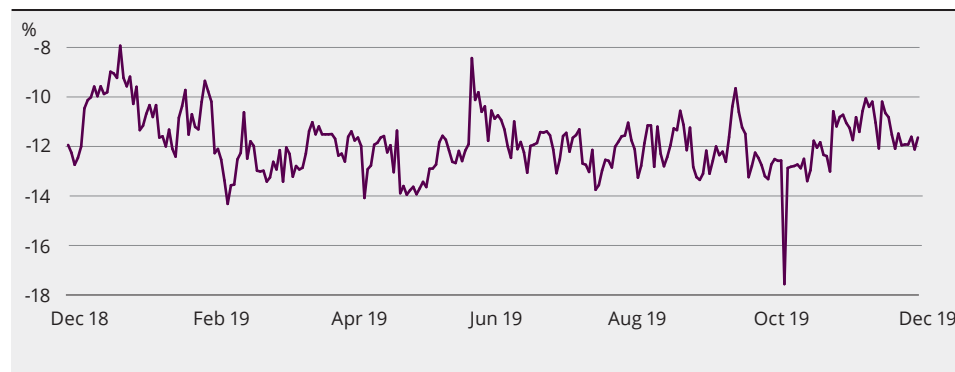
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### 1 Year Premium/Discount Chart (%)



### Fund managers' report

#### Market and portfolio review

Shares of Asian smaller companies rose in tandem with their larger peers in December as the US and China appeared closer to a partial trade deal and fresh tariff hikes were averted. The Federal Reserve's signals that it would keep policy loose, along with improved economic data from China, lifted sentiment as well.

Technology stocks maintained their momentum, boosted by easing trade worries and growing expectations for a recovery in semiconductor and smartphone demand. Chip-linked holdings, including Singapore's AEM, Thailand's Hana Microelectronics and Korea's Park Systems, all fared well.

Meanwhile, Indonesian equities advanced after Jakarta mooted raising the fiscal deficit ceiling to boost growth. Fuel distributor AKR Corporindo did well. Shares of Indonesia-focused palm oil producer M.P. Evans also climbed as crude palm oil prices rallied on supply-shortage concerns.

In contrast, Indian shares lagged as mounting political tensions unnerved investors. Protests erupted against an amended citizenship law, which was seen as discriminatory against Muslims.

In key portfolio activity, we exited ARB. The company makes and sells automobile parts and accessories globally, though the bulk of its earnings are generated from its home market of Australia. Our confidence in its growth outlook had declined, while its valuations appeared full.

#### Outlook

Despite an upturn in sentiment entering 2020, we are mindful of the raft of prevailing risks. While an interim US-China trade deal has been reached, the bulk of tariffs remain in place. Existing differences over more complex issues also impede chances of a further agreement. Other political concerns linger as well, including the ongoing unrest in Hong Kong and India. The recent flaring of US-Iran tensions is a fresh worry. It could lead to higher oil prices, which may hamper the region's economic recovery, particularly for oil-importing markets. US presidential elections towards the year-end could also add further uncertainty.

### Fund managers' report continues overleaf

### Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	7.70	11.04
Beta	0.56	0.69
Sharpe Ratio	0.64	0.52
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>d</sup>	0.96%
Premium/(Discount) with debt at fair value	(11.6)%
Yield <sup>e</sup>	1.8%
Net gearing with debt at par <sup>f</sup>	12.5%
Active share <sup>g</sup>	98.6%

### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

### Assets/Debt (£m)

Gross Assets	454.8
Debt (CULS + bank loan) at nominal value	53.7
Cash	3.6

### Capital structure

Ordinary shares	33,079,895
Treasury shares	8,655,418
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>d</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.invtrusts.co.uk/ITemail](http://www.invtrusts.co.uk/ITemail)  
[www.asia-focus.co.uk](http://www.asia-focus.co.uk)

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### Fund managers' report – continued

That said, supportive fiscal and monetary policies should lend support to Asian stockmarkets. Largely sound fundamentals will also buffer regional economies against shocks. From a bottom-up perspective, asset prices in Asia still seem reasonable compared to global peers, while company earnings are expected to recover modestly. Meanwhile, the themes that underpin Asia's long-term growth are undimmed. Rising income levels will spur demand across various segments, while advances in technology, such as 5G networks, data centres and electric vehicles, also present new opportunities.

All these underscore our belief in a quality-focused approach to stock picking. Our holdings' competitive edges and sustainable earnings drivers position them to tap the favourable structural trends. At the same time, their solid financials and experienced management give us confidence that they can stay resilient if conditions deteriorate. Healthy balance sheets and cash flow also augur well for shareholder returns.

### 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)

#### 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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