

# Aberdeen Asian Income Fund Limited

## Investment Company

### Performance Data and Analytics to 31 January 2019

#### Investment objective

To provide investors with a total return primarily through investing in Asian 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 Company and Manager measure its performance against the MSCI AC Asia Pacific ex Japan Index (in sterling terms).

#### Cumulative performance (%)

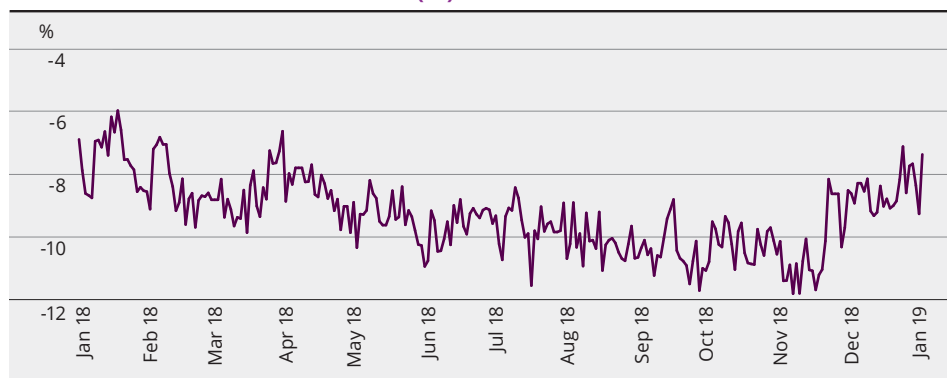
	as at 31/01/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	203.0p	5.0	8.1	0.9	(2.0)	58.8	45.3
NAV <sup>A</sup>	219.1p	3.6	4.0	(1.4)	(2.0)	50.8	48.9
MSCI AC Asia Pacific ex Japan		3.9	5.9	(4.8)	(6.2)	59.3	67.9

#### Discrete performance (%)

Year ending	31/01/19	31/01/18	31/01/17	31/01/16	31/01/15
Share Price	(2.0)	12.5	44.0	(23.3)	19.3
NAV <sup>A</sup>	(2.0)	12.0	37.3	(15.0)	16.1
MSCI AC Asia Pacific ex Japan	(6.2)	22.5	38.6	(12.6)	20.6

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, Lipper and Morningstar. Past performance is not a guide to future results.

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



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

<sup>B</sup> © 2018 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results. For more detailed information about Morningstar's Analyst Rating, including its methodology, please go to: <http://corporate.morningstar.com/us/documents/MethodologyDocuments/AnalystRatingforFundsMethodology.pdf> The Morningstar Analyst Rating for Funds is a forward-looking analysis of a fund. Morningstar has identified five key areas crucial to predicting the future success of a fund: People, Parent, Process, Performance, and Price. The pillars are used in determining the Morningstar Analyst Rating for a fund. Morningstar Analyst Ratings are assigned on a five-tier scale running from Gold to Negative. The top three ratings, Gold, Silver, and Bronze, all indicate that our analysts think highly of a fund; the difference between them corresponds to differences in the level of analyst conviction in a fund's ability to outperform its benchmark and peers through time, within the context of the level of risk taken over the long term. Neutral represents funds in which our analysts don't have a strong positive or negative conviction over the long term and Negative represents funds that possess at least one flaw that our analysts believe is likely to significantly hamper future performance over the long term. Long term is defined as a full market cycle or at least five years. Past performance of a security may or may not be sustained in future and is no indication of future performance. For detailed information about the Morningstar Analyst Rating for Funds, please visit <http://global.morningstar.com/managerdisclosures>.

#### 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 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 holdings (%)

Samsung Electronics	Korea	4.7
TSMC	Taiwan	4.4
HSBC	Hong Kong	3.9
Venture Corporation	Singapore	3.8
Oversea-Chinese Banking Corp.	Singapore	3.4
Tesco Lotus Retail Growth	Thailand	3.2
Jardine Cycle & Carriage	Singapore	2.8
Spark New Zealand	New Zealand	2.7
Taiwan Mobile	Taiwan	2.7
SingTel	Singapore	2.4
<b>Total</b>		<b>34.0</b>

#### Country allocation (%)

	Trust	Regional Index	Month's market change
Singapore	23.7	3.3	2.4
Australia	18.3	17.0	3.8
Hong Kong	10.0	9.7	4.3
China	9.7	29.8	7.5
Taiwan	8.1	10.2	(1.5)
Thailand	7.1	2.4	6.2
Korea	6.8	13.4	6.8
Malaysia	4.2	2.2	(1.9)
Japan	4.0	-	-
New Zealand	3.3	0.6	2.4
India	2.2	8.1	(5.1)
United Kingdom	0.5	-	-
Indonesia	-	2.2	5.1
Philippines	-	1.1	5.2
Cash	2.1	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

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.

All sources (unless indicated):  
Aberdeen Asset Managers Limited 31 January 2019.

Private investors 0808 500 0040  
Institutional investors  
Jonathon McManus +44 (0)20 7618 1444

# Aberdeen Asian Income Fund Limited

## Investment Company

### Performance Data and Analytics to 31 January 2019

#### Fund managers' report

##### Market and portfolio review

Asian stocks advanced in January. Sentiment improved as the US and China appeared to make headway in trade talks. Signals that the Federal Reserve would slow its pace of rate hikes also buoyed risk appetite.

China's 2018 growth slowed to 6.6%, its weakest in 28 years. However, the mainland was among Asia's best-performing markets, as growth continues to outpace other regions and Beijing announced further stimulus measures. Within this, the large internet companies like Alibaba and Tencent were key drivers of market strength, reclaiming some ground from last year's weakness. Given that these companies prioritise growth over shareholder returns, our active decision to avoid holding these names for our income strategy detracted from relative performance in the recent bounce.

Elsewhere, the tech sector rebounded, particularly within technology hardware and equipment, but our core holdings saw contrasting fortunes. Venture Corp was the top contributor to performance in the month, rising from December lows on expectations of a recovery in earnings. The company has also been buying back shares in the market, which has provided support to the name. Samsung Electronics' shares rose on hopes that memory demand will improve as orders return from large data-centre customers. This was despite lower fourth-quarter earnings on softer chip and phone sales. Taiwan Semiconductor Manufacturing Co (TSMC), meanwhile, fell after it lowered its first-quarter revenue forecasts. That said, we are confident it will remain among the dominant players in a field with high barriers to entry.

January was a busy month as we repositioned the portfolio on market volatility. We topped up our holding in Ping An Insurance, one of the largest insurance and financial services providers in China that is increasing its competitive edge through the use of technology. Elsewhere we added to Taiwan Semiconductor Manufacturing Co, which we believe has the competitive edge to emerge stronger from the current cycle, whilst maintaining an attractive yield for investors. We also topped up both IT services company Infosys and diversified miner BHP ahead of their upcoming dividend distributions. To fund these, we reduced our weightings in holdings where our conviction weakened. This included China Mobile, which we reduced ahead of their new capex program related to the roll out of 5G infrastructure, which could hamper their future dividends, as well as Heineken Malaysia on price strength.

##### Outlook

The outlook still appears volatile for Asian markets, given ongoing macro-political concerns. While there appears to be some progress on US-China trade talks, deeper tensions remain. China's growth slowdown may also have ripple effects on regional economies. Politics is another worry, as elections in key markets could worsen policy uncertainty. That said, the Fed's dovish shift will help shore up sentiment. Many of our holdings are still posting decent earnings growth, despite more muted forecasts. The 2018

#### Fund managers' report continues overleaf

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

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 December 2017. 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> Calculated using the Company's historic net dividends and month end share price.

<sup>e</sup> Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

<sup>f</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

Total number of investments	63
-----------------------------	----

#### Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	10.87	10.88
Beta	0.74	0.75
Sharpe Ratio	1.13	0.67
Annualised Tracking Error	5.33	5.01
Annualised Information Ratio	(0.20)	(0.30)
R-Squared	0.86	0.88

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 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 <sup>c</sup>	1.09%
Annual management fee	0.85%
Premium/(Discount)	(7.4)%
Yield <sup>d</sup>	4.5%
Net gearing <sup>e</sup>	7.9%
Active share <sup>f</sup>	81.6%

#### AIFMD Leverage Limits

Gross Notional Commitment	2.5x
	2x

#### Assets/Debt (£m)

Equities	412.9
Fixed Income	9.3
Debt	36.0
Cash	5.1

#### Capital structure

Ordinary shares	178,630,688
Treasury Shares	16,302,701

#### Allocation of management fees and finance costs

Capital	60%
Revenue	40%

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.asian-income.co.uk](http://www.asian-income.co.uk)

# Aberdeen Asian Income Fund Limited

## Investment Company

### Performance Data and Analytics to 31 January 2019

#### Fund managers' report – continued

sell-off has also driven share prices down to more attractive levels. Against this backdrop, we continue to remain selective, staying true to our quality-focused approach. We are regularly reviewing the investment case for all our holdings, assessing whether their structural growth drivers and ability to generate cash flows to support sustainable dividends are still intact. This gives us confidence despite market fluctuations.

#### 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	SETSm

#### Important information

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

#### 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.
- 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:

Issued by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Registered Office: 10 Queen's Terrace, Aberdeen AB10 1XL. Registered in Scotland No. 108419. An investment company should be considered only as part of a balanced portfolio. Under no circumstances should this information be considered as an offer or solicitation to deal in investments.

The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis, should not be taken as an indication or guarantee of any future performance analysis forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI" Parties) expressly disclaims all warranties (including without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages ([www.msci.com](http://www.msci.com)).