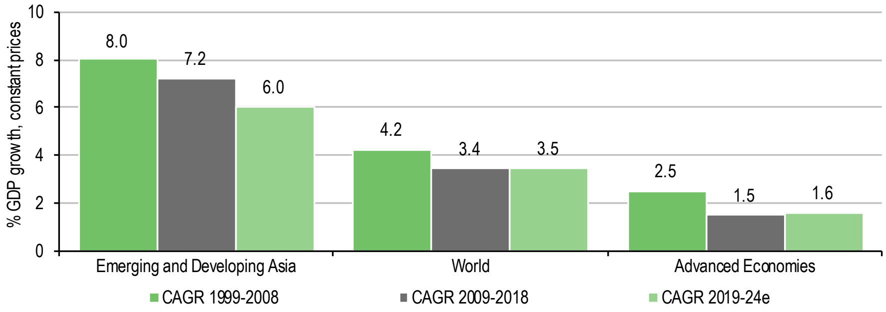
Aberdeen Asian Income Fund

Focus on capital growth and dividend yield

Investment companies
Asia-Pacific equity income

Aberdeen Asian Income Fund (AAIF) is managed by Aberdeen Standard Investments Asia (ASI Asia), aiming to provide reliable quarterly income and long-term capital growth. Its investment process identifies high-quality and attractively valued stocks that can be held for the long term. Manager Yoojeong Oh says that Asia offers attractive growth opportunities and dividend prospects, and 'the number of dividend-paying stocks is on the rise'. She highlights the deep resources of the ASI Asia investment team, suggesting its presence on the ground and an extensive number of company meetings provides a strong foundation for successful bottom-up stock selection. While AAIF does not have a formal benchmark, its NAV has outperformed the MSCI AC Asia Pacific ex-Japan index and the MSCI AC Asia Pacific ex-Japan High Dividend Yield index over the long term.

Above-average growth prospects in Asia versus the rest of the world



Source: International Monetary Fund, Edison Investment Research

The market opportunity

While near-term economic activity is being negatively affected by the COVID-19 outbreak, over the longer term, the Asia Pacific region offers superior growth prospects. Equity valuations in Asia are relatively attractive compared with global stocks, while Asia also offers a broadly comparable dividend yield.

Why consider investing in AAIF?

- Portfolio of high-quality companies, trading on reasonable valuations.
- Manager unconstrained by benchmark allocations; differentiated geographic weightings versus its peers.
- Long-term NAV outperformance versus the Asia Pacific stock market.
- Attractive 5.0% dividend yield, fully funded by income.

Scope for a narrower discount

AAIF is currently trading at a 7.9% discount to cum-income NAV, which compares with the 7.4% to 8.1% range of average discounts over the last one, three and five years. There is scope for the discount to narrow given the fund's three peers in the AIC Asia Pacific Income sector are all afforded a higher valuation. AAIF has a progressive dividend policy; the annual dividend has increased for the last 11 consecutive years.

12 March 2020

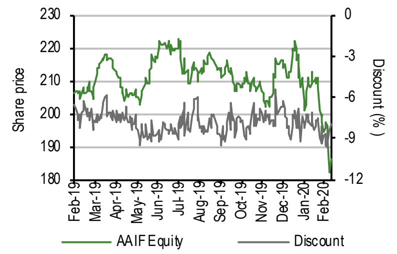
Price	**186.5p**
Market cap	**£330m**
AUM	**£394m**

NAV*	201.6p
Discount to NAV	7.5%
NAV**	202.6p
Discount to NAV	7.9%

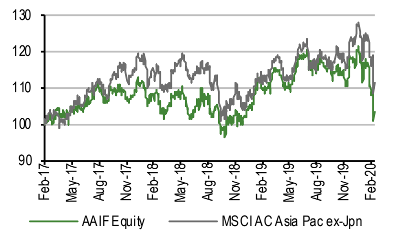
*Excluding income. **Including income. As at 10 March 2020.

Yield	5.0%
Ordinary shares in issue	177.1m
Code	AAIF
Primary exchange	LSE
AIC sector	Asia Pacific Income

Share price/discount performance



Three-year performance vs index



52-week high/low	222.5p	182.3p
NAV** high/low	243.7p	199.0p

**Including income.

Gearing

Gross*	9.3%
Net*	8.0%

*As at 31 January 2020.

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Edison profile page

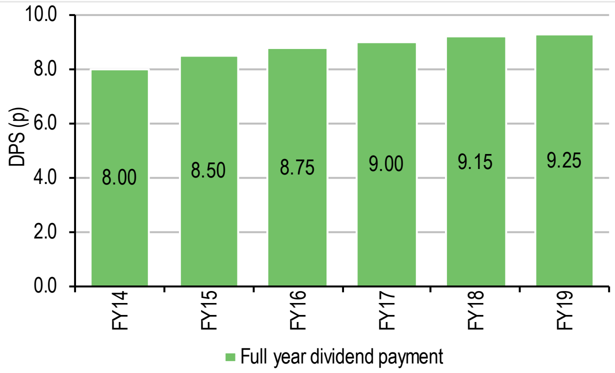
Aberdeen Asian Income Fund is a research client of Edison Investment Research Limited

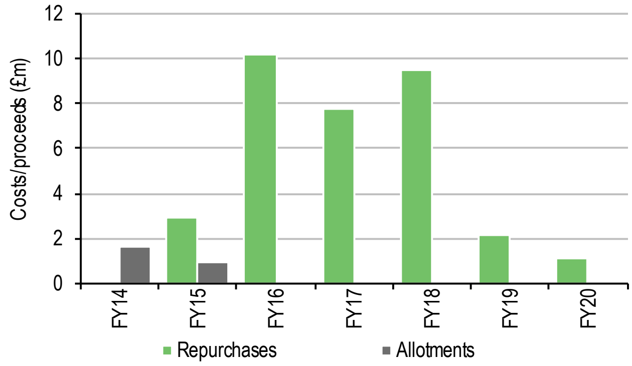
Exhibit 1: Company at a glance

Investment objective and fund background	Recent developments
AAIF aims 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 remit, the company aims to grow its dividends. While the portfolio is constructed without reference to any benchmark, the company measures its performance against the MSCI AC Asia Pacific ex-Japan index and the MSCI AC Asia Pacific ex-Japan High Dividend Yield index (both in £ terms).	■ 14 January 2020: announcement of fourth interim dividend of 2.50p (+4.2% year-on-year). ■ 16 October 2019: announcement of third interim dividend of 2.25p (flat year-on-year). ■ 14 August 2019: results for the six months ended 30 June 2019. NAV TR +13.3% and share price TR +13.4% versus TR +12.5% for the MSCI AC Asia Pacific ex-Japan and TR +11.5% for the MSCI AC Asia Pacific ex-Japan High Dividend Yield indices (both currency adjusted).

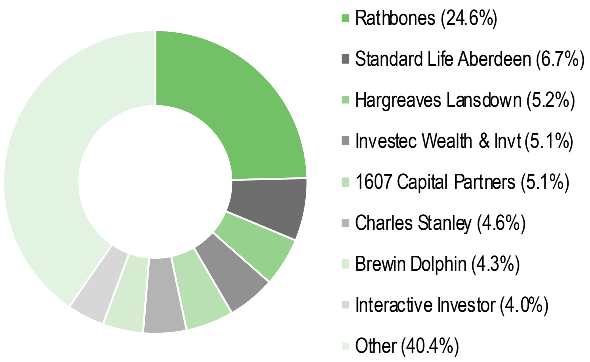
Forthcoming		Capital structure		Fund details	
AGM	May 2020	Ongoing charges	1.07%	Group	Aberdeen Standard Investments
Final results	April 2020	Net gearing	8.0%	Manager	Aberdeen Standard Investments Asia
Year end	31 December	Annual mgmt fee	0.85%	Address	1st Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB
Dividend paid	Quarterly	Performance fee	No		
Launch date	December 2005	Company life	Indefinite	Phone	0808 500 0040/+44 (0) 20 7618 1444
Continuation vote	None	Loan facilities	£50m with Scotiabank	Website	www.asian-income.co.uk

Dividend policy and history (financial years)	Share buyback policy and history (financial years)
Dividends are paid quarterly, in May, August, November and February. The board's aim is to grow the company's dividends.	Renewed annually, the board has the authority to repurchase up to 14.99% of AAIF shares or allot up to c 10% of shares. Shares may be repurchased when the discount to NAV exceeds 5%.

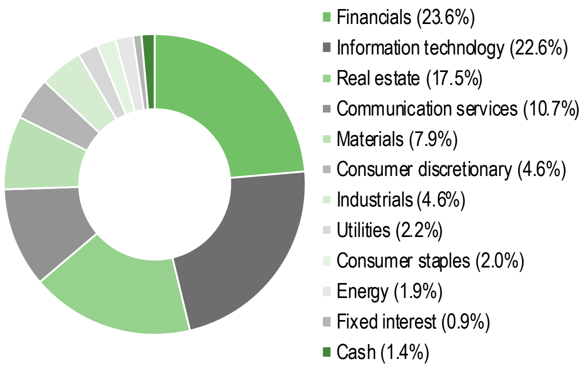




Shareholder base (as at 28 February 2020)



Portfolio exposure by sector (as at 31 January 2020)



Top 10 holdings (as at 31 January 2020)

			Portfolio weight %	
Company	**Country**	**Sector**	**31 January 2020**	**31 January 2019***
Samsung Electronics (pref)	South Korea	Information technology	7.0	4.7
Taiwan Semiconductor Manufacturing Co	Taiwan	Information technology	6.6	4.4
Venture Corporation	Singapore	Information technology	3.8	3.8
HSBC	Hong Kong	Financials	3.4	3.9
Oversea-Chinese Banking Corporation	Singapore	Financials	3.3	3.4
Tesco Lotus Retail Growth	Thailand	Consumer staples	2.9	3.2
Taiwan Mobile	Taiwan	Communication services	2.9	2.7
Ping An Insurance	China	Financials	2.8	N/A
LG Chem (pref)	South Korea	Materials	2.6	N/A
SingTel	Singapore	Communication services	2.4	2.4
Top 10 (% of portfolio)			**37.7**	**34.0**

Source: AAIF, Edison Investment Research, Bloomberg, Morningstar. Note: *N/A where not in end-January 2019 top 10.

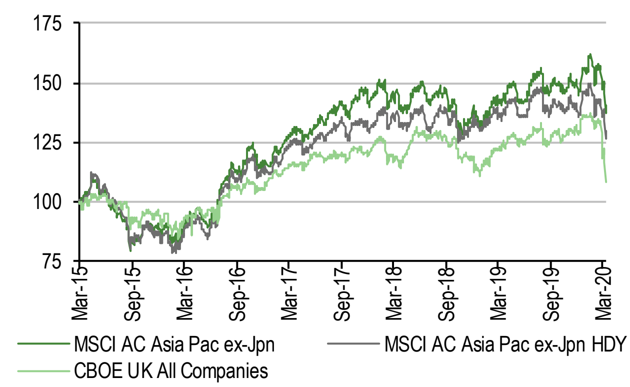
Market outlook: Higher GDP and attractive valuations

Over the last five years, the broad Asian market has performed relatively better than Asian high-yield and UK equities (in sterling terms, Exhibit 2, LHS). While near-term GDP estimates are likely to be revised lower due to the economic impacts of the COVID-19 outbreak, as illustrated on the front-page chart, the Asia Pacific region has superior longer-term growth prospects compared with the world and advanced economies; factors underpinning this include favourable demographic trends and rising demand for premium products and services.

Asian shares also remain relatively attractively valued. The Datastream Asia ex-Japan index is trading on a forward P/E multiple of 12.2x, which is a c 14% discount to the Datastream World index. Asia ex-Japan is also trading at a modest discount to its 10-year average, unlike global equities, which are trading at a 5% premium. With a backdrop of higher long-term growth and relatively attractive valuations, global investors may wish to consider an allocation to the Asia Pacific region; however, given current macro uncertainties, a focus on quality companies that are able to deliver a resilient income stream may be beneficial.

Exhibit 2: Market performance and valuation

Total return performance of Asia Pacific and UK equities over five years (£)



Valuation metrics of Datastream indices (at 10 March 2020)

	Last	High	Low	10-year average	Last as % of average
Asia ex-Japan					
P/E 12 months forward (x)	12.2	14.2	10.3	12.4	99
Price to book (x)	1.6	2.1	1.3	1.6	96
Dividend yield (%)	2.7	3.1	2.0	2.5	106
Return on equity (%)	10.2	16.5	10.2	12.8	80
World					
P/E 12 months forward (x)	14.3	16.3	9.8	13.7	105
Price to book (x)	1.9	2.3	1.4	1.8	104
Dividend yield (%)	2.9	3.1	2.2	2.6	112
Return on equity (%)	11.2	13.3	9.2	11.2	99

Source: Refinitiv, Edison Investment Research

Fund profile: Above-average income

AAIF is a Jersey-registered, closed-end investment company that launched in December 2005. It is managed by the investment team at ASI Asia (a regional division of Standard Life Aberdeen), and aims to generate an attractive total return from a diversified portfolio of Asia Pacific equities, including those with above-average dividend yields. The manager is able to draw on the broad resources of more than 50 investment professionals across eight regional Asian offices, located in Singapore, Sydney, Kuala Lumpur, Tokyo, Hong Kong, Bangkok, Jakarta and Shanghai. AAIF invests across the market-cap spectrum and is unconstrained in terms of geographic and sector exposures. Its board follows a progressive dividend policy, and the annual dividend has increased in each of the last 11 years. The fund's performance is measured against the MSCI AC Asia Pacific ex-Japan and the MSCI AC Asia Pacific ex-Japan High Dividend Yield indices (both currency adjusted). AAIF can invest in preference shares, debt, convertible securities, warrants and equity-related securities, as well as off-benchmark stocks (including Japan). A maximum 20% of total assets is permitted in a single issuer and the portfolio typically has 40–70 holdings. Gearing of up to 25% of NAV (up to 15% in normal market conditions) is permitted; at the end of January 2020, net gearing was 8.0%.The manager may write covered put and call options, and undertake stock lending to generate additional revenue, although these features are used sparingly.

The fund manager: ASI Asia

The manager's view: Expecting a rebound in the IT sector

Oh highlights that in 2019, markets once again rewarded growth- and momentum- focused stocks, with Chinese internet stocks, as an example, performing particularly well. This was detrimental to AAIF's relative investment performance, as the fund does not invest in companies that do not pay a dividend. However, Oh says that the fund's 11.1% NAV growth last year was respectable, and the fully covered annual dividend has now grown for 11 consecutive years. Once more, the fund was able to add to its revenue reserves; the manager explains that this was helped by special dividends, including from mining companies, Indian IT services firms and Singaporean REITs.

For 2020, Oh is expecting a pick-up in corporate earnings, led by the IT sector, which should support AAIF's revenues. However, she notes that some companies are being conservative; while they could pay higher dividends, they are cautious due to the US-China trade dispute, protests in Hong Kong and India, and higher levels of regulation in Australia. The level of caution has been exacerbated by the COVID-19 outbreak, leading companies to hoard cash rather than distribute it to shareholders. Despite this, the manager is confident that AAIF can continue to grow its dividends. At the beginning of this year, she had expected better performance from income/quality stocks, but the outbreak of the coronavirus proves that 'uncertainty is always around the corner'; those stocks that have been most negatively affected so far have tended to be those operating in the areas of tourism, travel and consumption. Oh says that portfolio companies have discussed how the outbreak has affected their workforces and factory output. She is encouraged to report that AAIF's largest holding, Samsung Electronics, is running full steam in China as its operations are highly automated, and not very labour intensive, referring to this as a 'welcome update'. The manager also explains that there is a high level of government support to help cushion the negative economic impact of the coronavirus, which is not limited to China. As an example, the government budget in Singapore was increased to boost spending in areas such as healthcare, national development and transport.

Oh says that as income/value stocks have been out of favour with investors, there are now many good-quality companies, with net cash on their balance sheets, which are attractively valued. She is taking advantage of these opportunities to build up AAIF's portfolio positions. The manager highlights the fund's two largest geographical exposures, Singapore and Australia, which combined are approaching 40% of the fund. She says they are both high dividend-yielding economies, 'but stocks are generally pretty cheap'. Singapore has the highest dividend yield in the region, while Australia offers growing, well-funded dividends in areas including banks and IT.

With the Q419 earnings season in full swing, Oh focuses on AAIF's top two positions – Samsung and Taiwan Semiconductor Manufacturing Company (TSMC) – which together make up c 13.5% of the fund, saying they have both reported strong numbers. She explains that 2019 was difficult due to lower demand as customers ran down their inventories, but the industry saw an uptick in orders at the end of the year, which provides her with a level of confidence about growth in 2020. Oh says these companies have strong competitive positions, decent pricing power (for a commodity product) and advantages of scale, and generate high levels of cash flow, while industry supply growth is rational. She says that demand for their products is supported by the roll-out of 5G networks and increased demand for cloud-based IT solutions. Less encouraging are the recent results from HSBC; operating in an uncertain market, the bank has announced a restructuring, which the manager suggests is 'sensible'. The company is focusing on its growth businesses and exiting unprofitable operations. While investors took the restructuring news poorly, the manager is comforted by the bank's well-capitalised balance sheet and a focus on sustainable returns. She does not consider HSBC's dividend to be at risk (current yield of 8.2%), and while current trading conditions in Asia are tough – not helped by the coronavirus and protests in Hong Kong – Oh believes the company has a very strong franchise that will prove successful over the long term.

Asset allocation

Investment process: Focus on quality and value

ASI Asia's investment philosophy is based on the belief that over the long term, a company's share price is driven by its fundamentals, but over shorter periods, the stock market can be inefficient, leading to value opportunities. Oh and the investment team undertake thorough fundamental research and many company meetings, seeking businesses that are trading below their intrinsic worth. They focus on high-quality companies with long-term growth potential and strong balance sheets that can support regular and growing dividends. AAIF's investible universe is all companies in the Asia Pacific region that have been ascribed a 'buy' or 'hold' recommendation by ASI Asia's investment team. Portfolio turnover is relatively low, averaging c 10–15% pa (12% in 2019), implying around a seven- to 10-year holding period. A focus on environmental, social and governance (ESG) issues is an integral part of the research process. Oh says that she and her team do not distinguish between a normal company meeting and an ESG discussion. For example, they have been talking to TSMC about the sustainability of its factories and water consumption – given water scarcity, the company is looking to improve the efficiency of every drop of water by 2.5x, using new technology. The manager says there is constant engagement with companies about their directors and management remuneration. She also notes that firms are increasingly communicating with shareholders in advance of their AGMs to signpost any necessary changes and make the AGM process smoother. Oh argues that the higher level of respect for external shareholders in Asia is a notable change compared with five years ago.

The manager is permitted to write covered call or put options in order to generate additional income. She says that option writing only contributed 60bp to AAIF's income in 2019, explaining that premiums have been very tight due to the US-China trade dispute and more recently the COVID-19 outbreak, making it difficult to find options with a suitable risk/reward profile. The AAIF team has only written four options since the practice was adopted in January 2019. Oh says the process has not been as dynamic as she would have liked, but she will not write options 'just for the sake of it'.

AAIF can hold fixed income investments in companies held in ASI Asia's equity funds, and there are currently two corporate bonds in the portfolio, ICICI Bank and G3 Exploration.

Current portfolio positioning

At end-January 2020, AAIF's top 10 holdings made up 37.7% of the fund, which was a modestly higher concentration compared with 34.0% a year earlier; eight positions were common to both periods. Looking at Exhibit 3, over this time, the largest changes on a geographic basis were a 3.3pp higher weighting in Taiwan and a 3.4pp lower exposure to Hong Kong. The fund is unconstrained by benchmark weightings, as evidenced by its significant overweight in Singapore (+18.0pp) and an even larger underweight in China (-22.6pp). In terms of sector exposure, the manager favours real estate (+12.1pp versus the MSCI AC Asia Pacific ex-Japan index), while the largest underweight is consumer discretionary (-8.6pp). AAIF has no healthcare names (c 5% of the index) due to the lack of big pharma companies in Asia that could provide a steady dividend stream.

Oh has been increasing the fund's exposure to the IT sector, which she believes has good growth prospects; this has been funded by reducing the weighting to banks, which have been large income generators for many decades. The manager notes that Australian and Singaporean banks performed well at the start of 2019 as the US Federal Reserve adopted a more dovish stance, but had a trickier H219. She highlights AAIF's holding in Bank Rakyat, which engages in the higher-growth business of microfinancing; however, as it is a riskier position compared to the traditional banks, despite its strong balance sheet, it is a modest c 1% holding in the fund. AAIF has an overweight exposure to the materials sector. Oh focuses on the fund's holding in South Korean company LG Chem, which provides exposure to electric vehicle (EV) batteries. At the end of 2019, the company incurred one-off costs due to problems in its energy storage system business; however, in common with other EV-exposed companies, LG Chem's share price has performed very well this year. AAIF is invested in this company more for its new, rather than its traditional, chemicals businesses, although this division funds the firm's dividend.

Exhibit 3: Portfolio geographic exposure vs MSCI AC Asia Pacific ex-Jpn (% unless stated)

	Portfolio end-January 2020	Portfolio end-January 2019	Change (pp)	Index weight	Active weight vs index (pp)	Fund weight/ index weight (x)
Singapore	21.0	23.7	(2.7)	3.0	18.0	7.0
Australia	17.5	18.3	(0.8)	16.6	0.9	1.1
Taiwan	11.4	8.1	3.3	11.3	0.1	1.0
China	10.6	9.7	0.9	33.2	(22.6)	0.3
South Korea	9.6	6.8	2.8	11.3	(1.7)	0.8
Thailand	8.3	7.1	1.2	2.4	5.9	3.5
Hong Kong	6.6	10.0	(3.4)	8.1	(1.5)	0.8
India	3.3	2.2	1.1	8.8	(5.5)	0.4
New Zealand	3.1	3.3	(0.2)	0.7	2.4	4.4
Japan	3.0	4.0	(1.0)	0.0	3.0	N/A
Malaysia	2.7	4.2	(1.5)	1.8	0.9	1.5
Indonesia	1.1	0.0	1.1	1.9	(0.8)	0.6
United Kingdom	0.5	0.5	0.0	0.0	0.5	N/A
Philippines	0.0	0.0	0.0	0.9	(0.9)	0.0
Cash	1.3	2.1	(0.8)	0.0	1.3	N/A
	100.0	**100.0**		**100.0**		

Source: Aberdeen Asian Income Fund, Edison Investment Research. Note: Numbers subject to rounding.

Oh highlights a couple of new holdings in the fund: Ascendas India Trust (AIT) and Land and Houses. AIT is a higher-than-average growth Singaporean company; it invests in technology parks, office properties and warehouses in key Indian cities. The company has a stable Singapore-based management team, prime assets, strong rental growth, and a diversified tenant base, focusing on the high-growth IT services sector. AIT provides AAIF with exposure to a country where the manager has historically struggled to find attractive quality and value opportunities. The company is benefiting from the consumer growth story, as the increase in e-commerce is driving demand for its logistics assets. Land and Houses is a Thai real estate company – with a higher focus on residential property, it should prove more defensive in the current domestic consumer environment. Oh says the company has an attractive valuation and offers a c 8.6% dividend yield.

Recent disposals within the fund include: British American Tobacco Malaysia (structural trends away from tobacco usage); Japan Tobacco (dividend at risk due to lower returns from next-generation products); Giordano International (challenging growth outlook for the retail sector); and Hong Leong Finance (lower quality than AAIF's other three Singaporean bank holdings).

Performance: Outperformance over the last decade

Exhibit 4: Five-year discrete performance data

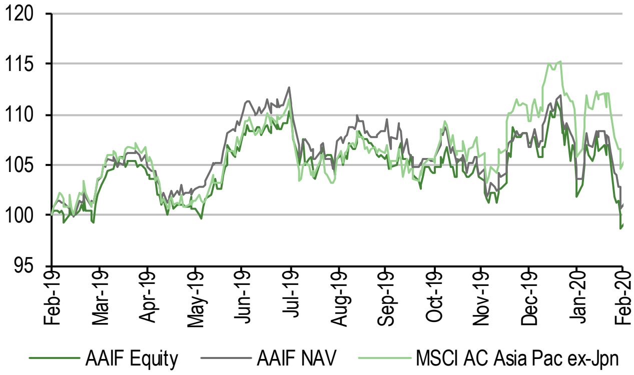
12 months ending	Share price (%)	NAV (%)	MSCI AC Asia Pac ex-Japan (%)	MSCI AC Asia Pac ex-Japan HDY (%)	CBOE UK All Companies (%)
29/02/16	(18.8)	(12.0)	(12.1)	(13.7)	(7.6)
28/02/17	40.5	37.4	43.7	42.4	23.7
28/02/18	8.6	8.6	15.2	11.6	4.4
28/02/19	0.8	(1.8)	(3.5)	(1.5)	1.6
29/02/20	(1.4)	0.7	4.5	0.5	(2.1)

Source: Refinitiv. Note: All % on a total return basis in pounds sterling.

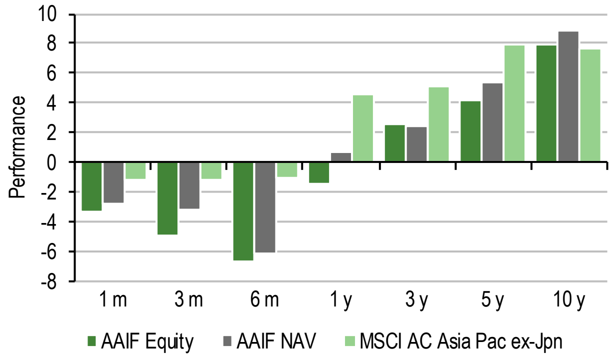
Oh highlights the fund's performance during the last six months, where not having a position in Alibaba has been detrimental. Positive contributors include AAIF's top two holdings, Samsung and TSMC, where the manager is positive on their 2020 outlooks. Some of the fund's China-exposed holdings have performed well, including China Resources Land and Yum China.

Exhibit 5: Investment company performance to 29 February 2020

Price, NAV and index total return performance, one-year rebased



Price, NAV and index total return performance (%)



Source: Refinitiv, Edison Investment Research. Note: Three-, five- and 10-year performance figures annualised.

AAIF's relative returns are shown in Exhibit 6. It has outperformed the MSCI AC Asia Pacific ex-Japan index over the last decade in both NAV and share price terms, and its NAV has outpaced the performance of the MSCI AC Asia Pacific ex-Japan High Dividend Yield index over the last one and 10 years. Of interest to UK shareholders, AAIF has also outperformed the broad UK market over the last one, three, five and 10 years in both NAV and share price terms.

Exhibit 6: Share price and NAV total return performance, relative to indices (%)

	One month	Three months	Six months	One year	Three years	Five years	10 years
Price relative to MSCI AC Asia Pac ex-Japan	(2.1)	(3.8)	(5.7)	(5.7)	(7.2)	(16.1)	1.8
NAV relative to MSCI AC Asia Pac ex-Japan	(1.6)	(2.1)	(5.2)	(3.7)	(7.6)	(11.6)	11.0
Price relative to MSCI AC Asia Pac ex-Japan HDY	(3.4)	(3.5)	(4.3)	(1.9)	(2.4)	(9.3)	(1.1)
NAV relative to MSCI AC Asia Pac ex-Japan HDY	(2.9)	(1.7)	(3.8)	0.2	(2.8)	(4.4)	7.8
Price relative to CBOE UK All Companies	6.5	5.1	(1.0)	0.7	3.9	3.8	10.3
NAV relative to CBOE UK All Companies	7.1	7.0	(0.5)	2.9	3.4	9.4	20.2

Source: Refinitiv, Edison Investment Research. Note: Data to end-February 2020. Geometric calculation.

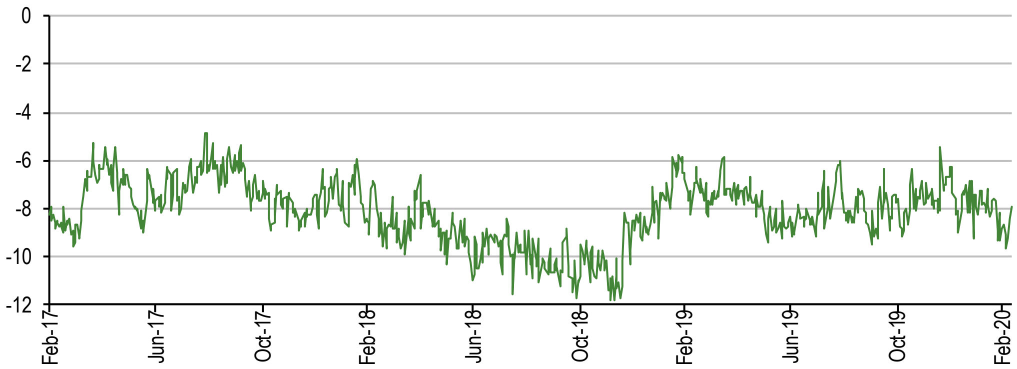
Exhibit 7: NAV TR relative to MSCI AC Asia Pacific ex-Japan index over three years

Source: Refinitiv, Edison Investment Research

Discount: Wider than peers

Oh is disappointed that AAIF's discount to NAV remains wider than those of its peers, despite the fund's attractive dividend yield and focus on high-quality companies. It is currently trading at a 7.9% share price discount to cum-income NAV, which is towards the wider end over the last 12 months (range of 5.5% to 9.7%). Over the last one, three, five and 10 years, the fund has traded at average discounts of 7.8%, 8.1%, 7.4% and 2.6% respectively. The board is committed to repurchasing shares when the share price discount to ex-income NAV exceeds 5% (in normal market conditions).

Exhibit 8: Share price discount to NAV (including income) over three years (%)



Source: Refinitiv, Edison Investment Research

Capital structure and fees

AAIF is a Jersey-registered, London-listed, closed-end investment company with one class of share; there are currently 177.1m ordinary shares in issue (with a further 17.9m held in treasury). It has a £40m three-year unsecured loan facility with Scotiabank (Ireland), which expires on 13 April 2020, and a £10m three-year term facility with Scotiabank Europe, which expires on 2 March 2021. At the end of January 2020, net gearing was 8.0%. AAIF's manager is Aberdeen Standard Capital International Limited (ASCIL), which sub-delegates portfolio management to ASI Asia. ASCIL receives an annual management fee of 0.85% of the company's rolling monthly average NAV over the previous six months. Fees are charged 40:60 to the revenue and capital accounts respectively, in line with the expected split of returns between income and capital; no performance fee is payable. In H119, AAIF's ongoing charges were 1.07% (FY18: 1.11%).

Dividend policy and record

AAIF pays quarterly dividends in May, August, November and February. The FY19 total distribution of 9.25p per share is 1.1% higher year-on-year and represents the 11th consecutive annual increase. More Asian companies are paying a dividend, and the region now has a comparable yield to the world market. AAIF has also been adding to revenue reserves, which stood at c 6.3p per share at end-H119.

Based on its current share price, the fund offers a 5.0% dividend yield.

Peer group comparison

In Exhibit 9, we show the four funds in the AIC Asia Pacific Income sector. AAIF's NAV total return ranks second over the last 10 years, third over the last one and three years, and fourth over the last five years. It has the widest discount, which may be due to AAIF's differentiated exposure, with large weightings in Singapore and Australia, and a significant underweight exposure to China. However, it is interesting to note that in early February 2020, the fund's closest peers – Henderson Far East Income and Schroder Oriental Income – were both trading on a premium and have de-rated during the recent stock market sell-off. AAIF's ongoing charge is modestly above average, and no performance fee is payable. It has the highest level of gearing in the sector, and the second highest dividend yield.

Exhibit 9: AIC Asia Pacific Income sector at 10 March 2020*

% unless stated	Market cap £m	NAV TR 1 year	NAV TR 3 year	NAV TR 5 year	NAV TR 10 year	Discount (cum-fair)	Ongoing charge	Perf. fee	Net gearing	Dividend yield
Aberdeen Asian Income	330.2	(7.1)	(0.4)	21.1	110.3	(7.9)	1.1	No	108	5.0
Henderson Far East Income	427.4	(4.7)	3.3	26.4	76.6	(0.5)	1.1	No	103	7.2
JPMorgan Asia Growth & Income	325.5	(0.0)	20.9	57.7	103.7	(7.3)	0.7	No	100	4.5
Schroder Oriental Income	567.5	(7.9)	(0.6)	31.9	148.3	(4.5)	0.9	Yes	107	4.8
Average (4 funds)	**412.7**	**(4.9)**	**5.8**	**34.3**	**109.7**	**(5.1)**	**1.0**		**104**	**5.4**
Company rank in sector	**3**	**3**	**3**	**4**	**2**	**4**	**2**		**1**	**2**

Source: Morningstar, Edison Investment Research. Note: *Performance to 9 March 2020 based on ex-par NAV. TR = total return. Net gearing is total assets less cash and equivalents as a percentage of net assets.

The board

AAIF's board has six directors; all are non-executive and five are independent of the manager. Charles Clarke is the chairman; he joined the board in March 2012 and assumed his current role in May 2018. Krystyna Nowak (senior independent director) was appointed in May 2015, Ian Cadby in May 2016, Mark Florance in May 2017 and Nicky McCabe in May 2018. Hugh Young is considered to be non-independent as he is the managing director of Standard Life Aberdeen's Asian operations; he has served on AAIF's board since the company's inception in 2005, and since 31 March 2018 no longer receives a director's fee.

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