

Investment objective

The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of quoted smaller companies in the economies of Asia excluding Japan.

The full investment policy is available for download on the Company's website.

Comparative benchmark

With effect from 1 August 2021 the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) has been adopted as the comparative index and performance is also measured against the peer group. Given the Manager's investment style, it is likely that performance will diverge, possibly quite dramatically in either direction, from the comparative index. 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 31/08/24	1 month	3 months	6 months	1 year	3 years	5 years	Since BM Change 31/7/21
Share Price	279.0p	1.0	2.8	9.0	11.3	11.3	46.7	15.9
Diluted NAV ^A	328.5p	0.9	2.2	8.1	11.6	14.2	50.3	16.9
Composite Benchmark		(0.1)	2.4	6.3	13.5	14.5	62.7	16.9

Discrete performance (%)

	31/08/24	31/08/23	31/08/22	31/08/21	31/08/20
Share Price	11.3	0.1	(0.1)	41.1	(6.6)
Diluted NAV ^A	11.6	0.7	1.6	38.7	(5.2)
Composite Benchmark	13.5	1.8	(0.9)	33.9	6.1

Total return; NAV cum income, with 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: abrdrn Investments Limited and Morningstar.

Past performance is not a guide to future results.

^A Including current year revenue.

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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 equity holdings (%)

FPT Corp	Vietnam	4.1
Aegis Logistics	India	3.8
Park Systems	Korea	3.3
Taiwan Union Technology	Taiwan	3.1
AKR Corp	Indonesia	3.1
Prestige Estates Projects	India	2.8
Chroma Ate	Taiwan	2.8
Kfin Technologies	India	2.7
Affle India	India	2.6
Vijaya Diagnostic Centre	India	2.6
Total		30.9

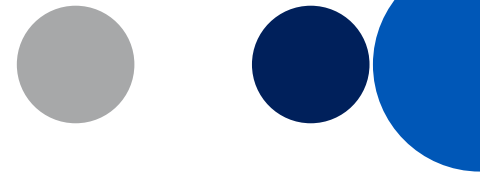
Country allocation (%)

	Trust	MSCI AC Asia ex Japan Small Cap Index	Month's market change
India	28.8	34.2	(1.5)
Taiwan	14.6	25.4	2.6
China	9.7	8.9	(3.7)
Indonesia	8.9	2.2	4.6
Korea	8.8	13.1	(1.9)
Vietnam	6.9	-	-
Hong Kong	4.2	3.5	0.4
Malaysia	4.1	3.1	(2.8)
Philippines	3.5	0.8	5.4
Thailand	3.2	3.3	6.3
Sri Lanka	2.3	-	-
United Kingdom	2.2	-	-
New Zealand	1.2	-	-
Singapore	0.3	5.4	2.0
Cash	1.4	-	-
Total	100.0	100.0	

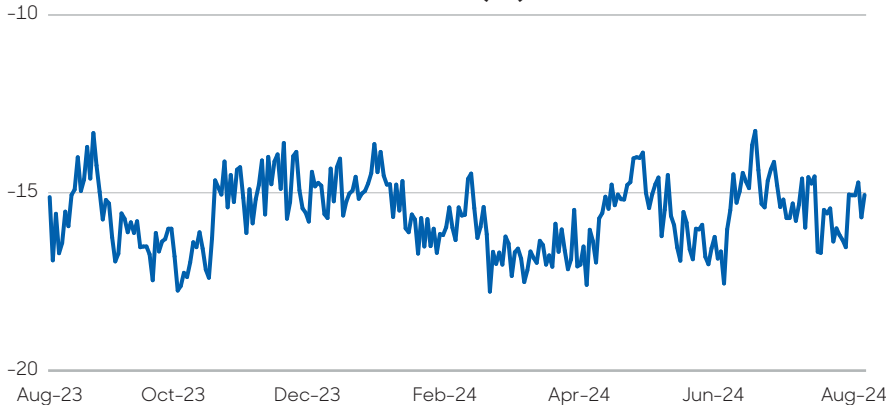
MSCI AC Asia ex Japan Small Cap. Month's market change represents the individual country returns calculated using the MSCI Index series (£). Market change is Total Return in GBP. Index may not add up to 100 due to rounding. Source: abrdrn Investments Limited and MSCI.

All sources (unless indicated): abrdrn: 31 August 2024.





1 Year Premium/Discount Chart (%)



Fund managers' report

Market review

Equity markets experienced increased volatility in August, with Asian small caps rising in US dollar terms by month-end but falling in sterling terms. The first week of the month saw global markets decline sharply. This sell-off followed the US Federal Reserve's (Fed) decision to keep rates unchanged alongside weak labour data, triggering recession concerns, as well as the unwinding of Japanese yen (JPY) carry trades after the Bank of Japan's surprise rate increase led to a sharp rally in the JPY. Subsequently, however, markets rebounded thanks to more reassuring economic news in the US, while most Asian currencies rose against the US dollar. The benchmark MSCI AC Asia Ex Japan Small Cap Index returned -0.10% in sterling terms, while the Trust outperformed the benchmark by 98 basis points (bps). In relative terms, our stock selection in India was the leading contributor to returns. Our above-index exposure to Indonesia was also helpful.

In market news, across the region, Southeast Asia outpaced North Asia and India. Indonesia, one of Asia's most rate-sensitive stock markets, was boosted by rising expectations of policy easing by the Fed, while Thai stocks rose on better-than-expected gross domestic product (GDP) growth. In North Asia, stocks in Hong Kong outperformed their peers in mainland China, as more resilient earnings lifted internet names and high-yielding stocks drew interest. The decline in mainland China came amid mixed economic data. Meanwhile, the market in South Korea was a key laggard as memory stocks were weighed down partially by concerns over NVIDIA's revenue guidance. Elsewhere, Indian stocks rose marginally on the back of soft quarterly earnings and GDP growth that reached its lowest in five quarters.

At the stock level, the top contributor was South Korea's Park Systems. The company, which develops specialised microscopes, rebounded following prior weakness in a technology led sell-off. In India, KFin Technologies was buoyed by continued momentum in investor flows and excitement about the potential for overseas expansion of its core registrar services. The share price of Vijaya Diagnostic Centre, a leading healthcare services company, hit an all-time high

Fund managers' report continues overleaf

^c Expressed as a percentage of average daily net assets for the year ended 31 July 2023. 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.

^d with effect from 1 August 2021, 0.85% per annum for the first £250 million of the Company's market capitalisation, 0.6% per annum for the next £500 million, and 0.5% per annum for market capitalisation of £750 million and above, 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.

^e Calculated using the Company's publicly announced target dividend yield of 6.4p for the year ending 31 July 2022 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.

Total number of investments 62

Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	11.68	14.97
Beta	0.92	0.88
Sharpe Ratio	0.20	0.43
Annualised Tracking Error	3.57	5.12
Annualised Information Ratio	0.24	(0.33)
R-Squared	0.92	0.90

Source: abrdrn & 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.

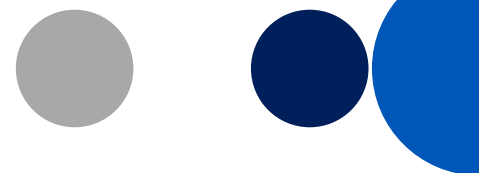
Key information

Calendar

Year end	31 July
Accounts published	October
Annual General Meeting	December
Dividends paid	March, June, September, December
Launch date	October 1995
Fund managers	Flavia Cheong, Gabriel Sacks, Xin-Yao Ng,
Ongoing charges ^c	0.92%
Annual management fee ^d	0.85% Market Cap (tiered)
Premium/(Discount) with debt at fair value	(15.1)%
Yield ^e	3.1%
Net cash/(gearing) with debt at par ^f	(11.5)%
Active share ^g	96.4%

AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x



Fund managers' report – continued

In August following robust quarterly results, while Uno Minda, which supplies auto components to original equipment manufacturers (OEMs), also enjoyed a strong month. Also in India, Aptus Value Housing Finance India contributed to relative returns. Its after-tax profit was in line with estimates and investors cheered its focus on affordable housing, which seem aligned to the government's priorities following announcement of India's most recent Budget. Meanwhile, in Vietnam, FPT Corp, our software IT conglomerate, pressed on with its good momentum, posting healthy results. Exposure to Taiwan-listed instrumentation company Chroma ATE and Taiwan Union Technology Corporation, which produces, copper clad laminates, also aided returns given outperformance against a weaker Taiwanese market. Hong Kong's Dah Sing Financial Holdings Limited was another leading contributor, with the company releasing good quarterly results towards month-end with a substantial uplift in their interim dividend.

On the other hand, the leading detractor was India's Aegis Logistics, which saw some profit-taking on the back of strong performance in prior months. Another detractor was India-based APAR Industries, which released numbers that showed strength in its domestic business but weakness in, exports, particularly to the US. In the absence of any major launches, India-headquartered Prestige Estates Projects Ltd reported slower pre-sales. Elsewhere, South Korea's Hansol Chemical delivered lower-than-anticipated operating profit due to softness in its precursor and battery materials segments. Earnings from Leeno Industrial were mixed with revenue that fell short of consensus due to the slower smartphone market recovery. Although margins were stronger than predicted, Leeno's share price slid in August.

In terms of key portfolio activity in August, we initiated a position in Cholamandalam Financial Holdings a diversified financial services group in India, offering vehicle finance, home loans, business loans, insurance, and investment services. It has a strong presence across India with a network of branches and a large customer base. Among its subsidiaries, Cholamandalam Investment and Finance is a high-quality lender in India's informal lending segment.

Another portfolio addition was India's Poly Medicare (PLMD), a founder-owned business that makes and sells consumable medical devices. PLMD has a broad product portfolio, with infusion therapy being the largest segment, but it is also looking to expand further in cardiology and critical care. The company is on track for double-digit revenue growth in fiscal year 2025 and beyond with management expecting strong growth in India due to new launches and an expanded marketing team. It is also investing in several new facilities for export to Europe and the US.

Finally, we exited Bangkok Chain Hospital to fund better opportunities elsewhere.

Outlook

September is historically a difficult month for markets, and the first few days have borne that out. Technology stocks have become volatile again, after renewed concerns over AI-related stock valuations. Geopolitics simmer in the background, as it appears a dead heat for Donald Trump and Vice President Kamala Harris heading into the US presidential elections in November.

At the same time, US rate cut expectations are rising, which is likely to support investor appetite in Asia as the US-Asia yield differentials narrow. At the time of writing, our in-house Global Macro Research team continues to expect 25bp cuts at each meeting of the US Federal Reserve this year and in the first half of 2025, with 50bp moves on the table in the case of significant growth scares.

Market sentiment is likely to remain volatile over the short term against a still-uncertain backdrop, and we have continued to tighten the quality characteristics of our portfolio. We maintain our conviction in our holdings and their ability to navigate the various crosswinds buffeting markets, given their quality and fundamentals.

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

Assets/Debt (£m)

Gross Assets	572.6
Debt (CULS + bank loan)	66.3
Cash & cash equivalents	7.9

Capital structure

Ordinary shares	153,546,718
Treasury shares	55,174,590
Convertible Unsecured Loan Stock 2025 (CULS) at nominal value	£36,574,720

Allocation of management fees and finance costs

Capital	75%
Revenue	25%

Trading details

Reuters/Epic/Bloomberg code	AAS
ISIN Code	GB00BMF19B58
Sedol code	BMF19B5
Stockbrokers	Panmure Liberum
Market makers	SETSmm



Factsheet

Receive the factsheet by email as soon as it is available by registering at www.abrdn.com/trustupdates www.abrdn.com/AAS



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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.
- The Company invests in 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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