

# abrDN New Dawn Investment Trust plc

Investing in locally chosen, high quality, Asia-Pacific companies

Performance Data and Analytics to 30 September 2023

## Proposed combination with Asia Dragon Trust plc

On 21st July 2023, the Board of abrDN New Dawn Investment Trust plc announced that it has agreed heads of terms with the Board of Asia Dragon Trust plc in respect of a proposed combination of abrDN New Dawn with Asia Dragon. The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of abrDN New Dawn under section 110 of the Insolvency Act 1986 and the associated transfer of part of the assets and undertaking of abrDN New Dawn to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme"). Under the terms of the Scheme an up to 25 per cent. cash exit opportunity will be offered to abrDN New Dawn shareholders to realise part of their investment in the Company.

## Investment objective

To provide shareholders with a high level of capital growth through equity investment in the Asia Pacific countries excluding Japan.

## Benchmark

MSCI AC Asia Pacific ex Japan. This benchmark includes Australia and New Zealand.

## Cumulative performance (%)

	as at 30/09/23	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	249.0p	(2.4)	(1.1)	(8.1)	(7.0)	(1.6)	20.6
NAV <sup>a</sup>	282.8p	(0.4)	(2.2)	(8.9)	(6.7)	(3.1)	16.7
MSCI AC Asia Pacific ex Japan		1.0	0.8	(2.9)	2.4	1.6	15.0

## Discrete performance (%)

	30/09/23	30/09/22	30/09/21	30/09/20	30/09/19
Share Price	(7.0)	(12.9)	21.4	9.3	12.1
NAV <sup>a</sup>	(6.7)	(14.1)	20.7	9.0	10.5
MSCI AC Asia Pacific ex Japan	2.4	(11.5)	12.1	8.6	4.2

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: abrDN Investments Limited, Lipper and Morningstar.  
**Past performance is not a guide to future results.**

<sup>a</sup> Including current year revenue.  
<sup>b</sup> © 2023 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>.  
<sup>c</sup> Excluded for the purposes of calculating the investment management fee.

## 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 Sustainability Rating™



## 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 (%)

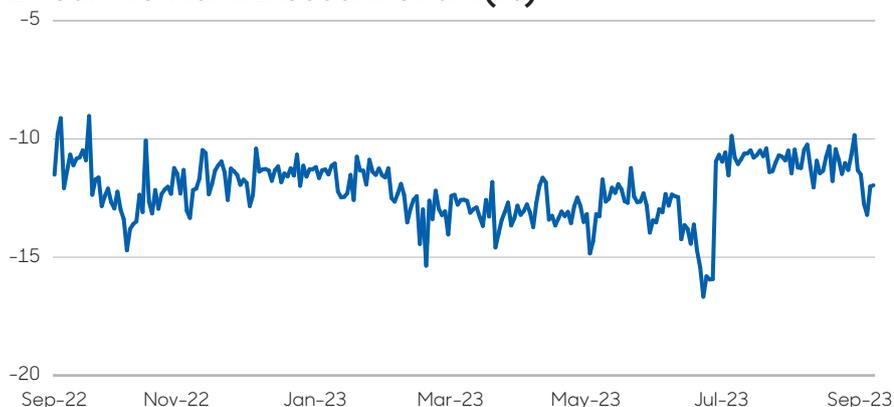
abrDN SICAV I - Indian Equity Fund A Acc	India	16.5
TSMC	Taiwan	8.6
Samsung Electronics	Korea	6.5
Tencent	China	6.0
AIA	Hong Kong	5.2
BHP	Australia	3.6
Alibaba	China	3.3
CSL	Australia	2.7
Woodside Energy	Australia	2.6
ASML	Netherlands	2.4
<b>Total</b>		<b>57.3</b>

**Total number of investments 43**

All sources (unless indicated): abrDN: 30 September 2023.



## 1 Year Premium/Discount Chart (%)



## Fund managers' report

### Market and portfolio review

September was a volatile period for Asian equities. The MSCI AC Asia Pacific ex Japan Index fell in US dollar terms in September, close to a nine-month low. However, the index returned 1.04% in sterling (GBP) terms, while the Trust underperformed the benchmark by 1.4% on a net asset value basis.

During September, woes in the Chinese property market continued with developer Evergrande scrapping a key creditor meeting as its founder and chairman was placed under police surveillance. However, there was some positive economic news in China with better retail sales, industrial output and employment data. The People's Bank of China reduced bank reserve requirements by 0.25% for the second time this year. As a result, Chinese shares advanced although Hong Kong ended in the red.

In terms of country returns, the Philippines was the strongest, where shares sold off in the early part of September but finished the month with strong gains after a solid comeback. Elsewhere, despite declines in the second half of the month, Indian stocks also advanced, thanks to strength in the financial services sector and the positive domestic economic backdrop. The Singaporean market also proved resilient, supported by a new S\$1.1 billion support package to help residents cope better with rising living costs. Shares in Australia and Indonesia also advanced. Conversely, stocks declined in South Korea, as a more negative outlook on the standard of living and the labour market weighed on consumer sentiment.

Among the leading stocks that contributed to relative returns was the Philippines-based property developer Ayala Land, which benefitted from a recovery in domestic residential demand given its robust sales take-up and improving inventory levels. Singapore-headquartered Oversea-Chinese Banking Corporation (OCBC) continued to see gains thanks to higher interest rates, while maintaining resilient asset quality and market speculation over a possible increase in dividend. Australian mining and metals company BHP Group also had a strong month.

In contrast, Hong Kong-based Asian insurer AIA detracted from relative performance on the back of potentially softer margins due to product mix as the high interest rate environment is seen driving sales towards lower-margin savings products, but we don't see this detracting from the structural growth in demand for insurance protection. Another significant stock detractor was LG Chem, which underperformed on concerns around the impact of a slower-than-expected China

### Fund managers' report continues overleaf

<sup>o</sup> Expressed as a percentage of average daily net assets for the year ended 30 April 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 OCF can help you compare the annual operating expenses of different Companies.

## Country allocation (%)

	Trust	Regional Index	Month's market change
China	20.6	28.8	1.0
India	18.9	15.1	5.6
Australia	11.0	16.0	0.9
Korea	10.1	11.7	(1.4)
Taiwan	9.6	14.1	-
Hong Kong	9.1	5.0	(1.8)
Singapore	4.9	3.2	3.4
Indonesia	4.0	1.9	0.4
Vietnam	2.9	-	-
United Kingdom	2.5	-	-
Netherlands	2.4	-	-
Philippines	1.7	0.6	6.8
Malaysia	-	1.3	2.0
New Zealand	-	0.4	2.1
Thailand	-	1.8	(5.6)
Cash	2.4	-	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	

Month's market change represents the individual country total return calculated using the MSCI Index series Capital GBP. Figures may not add up to 100 due to rounding. Source: abrdn Investments Limited and MSCI.

## Fund risk statistics

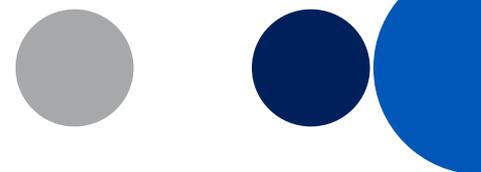
	3 Years	5 Years
Annualised Standard Deviation of Fund	13.77	14.39
Beta	0.93	0.94
Sharpe Ratio	(0.09)	0.21
Annualised Tracking Error	3.69	3.30
Annualised Information Ratio	(0.05)	0.41
R-Squared	0.94	0.95

Source: abrdn & 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. In addition, the risk analytics figures lag the performance figures by a month.

## Key information

### Calendar

Year end	30 April
Accounts published	July
Annual General Meeting	August
Dividend paid	January, September
Launch date	May 1989
Fund manager	Asian Equities Team
Ongoing charges <sup>o</sup>	1.13%



## Fund managers' report – continued

recovery on chemicals demand. The share price was also affected by a sell-off in Korean battery names due to falling lithium prices and growing concerns over a slowdown in electric vehicle demand. That said, we expect lower lithium prices to increase the penetration of electric vehicles and drive high demand over the medium to long term. Weakness in technology and especially chip stocks led to a decline in ASML, our non-benchmark exposure to the Netherlands. Shares fell along with the outlook for near-term semiconductor demand. Our core holding in Taiwan Semiconductor Manufacturing Co (TSMC) was another large detractor from performance. Yet, the short-term weakness in these stocks has not altered our positive long-term view of these companies.

In terms of portfolio activity, we initiated Taiwan-headquartered electronic component manufacturer Yageo. We regard its growth prospects as driven by more cross-selling and the structural growth of the industry, as demand for passive components will rise in tandem with the need for higher computing power. In contrast, we exited JD.com due to waning conviction.

Finally, as part of our ongoing active ownership strategy, we spoke with an independent director of Wuxi Biologics and discussed board and management interaction, board recruitment, skillset gaps, succession planning and risk management. This was a good first meeting for us and we will look to continue our engagement with the company. In addition, we engaged with Contemporary Amperex Technology (CATL) to understand its ESG practices in line with its European capacity expansion, as well as its views on the risks around Xinjiang and the Uyghur Forced Labor Prevention Act (UFLPA). The latter is a US law which prohibits goods from being imported into the United States that are either produced in Xinjiang, or by entities identified on the UFLPA Entity List, unless the importer can prove the goods were not produced with forced labour. CATL provided us with reassuring responses.

### Outlook

Policy developments in China will give us a sense of where Beijing's priorities lie, and potential fault lines in balancing deleveraging and keeping the economy on an even keel. We think the market is oversold, while ownership is low, but there are tentative signs that growth is stabilising. September data thus far has provided some encouraging signs. Valuations remain very undemanding on an absolute and relative basis.

Outside of China, the rest of Asia is benefiting from global supply chain diversification. India is in the early stages of a cyclical upswing. As AI-related apps and chips start to proliferate, rising demand will boost the region's semiconductor and consumer electronics segments.

Asian valuations remain attractive versus markets like the US, along with expectations of better earnings performance in the fourth quarter and early 2024. There is also dividend support. Dividends of companies in the regional MXAPJ benchmark have been growing steadily, with Asia having the best dividend growth across major markets compared with pre-Covid levels.

We remain focused on ensuring our conviction is appropriately reflected in our positioning. We continue to favour quality companies with solid balance sheets and sustainable earnings prospects that can emerge stronger in tough times. We are finding the most attractive opportunities around these structural themes: Aspiration, Building Asia, Digital Future, Going Green, Health & Wellness and Tech Enablers

<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.

**The risks outlined overleaf relating to gearing, emerging markets 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**

## Key information continued

Annual management fee	0.85% of net assets up to £350 million 0.50% of net assets over £350 million
Premium/(Discount)	(12.0)%
Yield <sup>F</sup>	1.7%
Net gearing <sup>F</sup>	7.4%
Active share <sup>G</sup>	67.8%

## AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

## Assets/Debt (£m)

Gross Assets	324.2
Debt	28.8
Cash & cash equivalents	6.8

## Capital structure

Ordinary shares	104,466,348
Treasury shares	8,399,351

## Allocation of management fees and finance costs

Capital	50%
Revenue	50%

## Trading details

Reuters/Epic/Bloomberg code	ABD
ISIN code	GB00BBM56V29
Sedol code	BBM56V2
Stockbrokers	Panmure Gordon
Market makers	SETSmm



## Factsheet

Receive the factsheet by email as soon as it is available by registering at [www.investments.co.uk/signup](http://www.investments.co.uk/signup) or [www.newdawn-trust.co.uk](http://www.newdawn-trust.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 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.
- 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:

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