

abrdn Asian Income Fund

Enhanced dividend and new continuation vote

abrdn Asian Income Fund's (AAIF's) board has announced additional features, which should further increase the appeal of this fund for investors seeking high-quality, attractively valued Asian equity exposure. The 16 January press release focused on an enhanced dividend policy, a higher fourth interim dividend in respect of FY24 and the introduction of a three-year continuation vote. AAIF's 16-year record of higher annual dividends means it is well on its way to the 20 years required for promotion from a next-generation to a full AIC dividend hero. The fund has the second-highest yield within the five-strong AIC Asia Pacific Equity Income sector, while its NAV has outpaced the performance of the MSCI AC Asia Pacific Index, which is used as a reference, over the last three and five years.

Enhanced dividend policy

AAIF's investment objective emphasises the importance of income and income growth as well as capital growth in delivering an attractive total return. In recognition of investor appetite for yield, the company's dividend will be set at 1.5625% of its quarter-end NAV, which equates to 6.25% of NAV per year. Based on the end-December 2024 NAV of 251.39p per share and the current share price, the notional annual dividend yield would be c 7.1%.

The first enhanced dividend will be based on the end-March 2025 NAV and will be paid in May 2025. In periods when AAIF's revenue is less than the dividend, distributions can be made from a combination of revenue and capital reserves.

There will be no change to AAIF's investment policy, with its Singapore-based managers seeking quality companies that operate in structural growth areas, which have strong balance sheets and can deliver reliable earnings and sustainable dividends, which in turn supports AAIF's growing dividends. The managers are supported by abrdn's 40-strong group of local analysts who can help to identify attractive opportunities that may be overlooked by other investors. Asia is a fertile hunting ground as the region has above-average growth prospects and dividends make up more than 50% of Asia-Pacific total returns.

Declaration of the fourth FY24 interim dividend

AAIF's fourth FY24 interim dividend will be 6.78p per share, which is 59.5% higher year-on-year. This means that the total FY24 dividend of 14.43p per share is a 22.8% increase compared with the 11.75p per share FY23 annual dividend.

The continuation vote

AAIF's board has introduced a three-year continuation vote underscoring its commitment to transparency and ensuring that shareholders have a direct say in the future of AAIF. The first vote will be held at the company's 2028 AGM and every three years thereafter. If shareholders vote against AAIF continuing in its current form, the board will offer proposals for the future of the company.

Investment companies
Asia Pacific equities

16 January 2025

Price	222.00p
Market cap	£333m
Total assets	£411m
NAV	253.9p
¹ At 14 January 2025	
Discount to NAV	12.5%
Current yield	5.4%
Shares in issue	150.2m
Code/ISIN	AAIF/GB00B0P6J834
Primary exchange	LSE
AIC sector	Asia Pacific Equity Income
52-week high/low	224.0p 194.5p
NAV high/low	256.8p 223.6p
Net gearing	7.8%

¹At 30 November 2024

Fund objective

The investment objective of abrdn Asian Income Fund is to provide investors with a total return primarily through investing in Asia-Pacific securities, including those with an above-average yield. Within its overall investment objective, the company aims to grow its dividends over time.

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