

# Aberdeen Asian Smaller Companies Investment Trust PLC

Performance Data and Analytics to 31 December 2011



## Investment objective

The objective of Aberdeen Asian Smaller Companies Investment Trust PLC is to maximise total return to shareholders over the long term from a portfolio of smaller quoted companies (with a market capitalisation of up to approximately US\$750m at the time of investment) in the economies of Asia and Australasia, outside Japan.

## Comparative benchmark

There has not always been a meaningful smaller companies index against which to compare the performance of the Company. Accordingly, the Manager utilises two general regional indices, the MSCI AC Asia Pacific ex Japan (currency adjusted) and the MSCI AC Asia Pacific ex Japan Small Cap (currency adjusted), as well as peer group comparisons for Board reporting. It is likely that performance will diverge, possibly quite dramatically in either direction, from these or any other indices.

## Cumulative performance (%)

	as at 31/12/11	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	597.0p	1.0	2.2	(8.5)	(5.1)	161.0	101.2
NAV <sup>A</sup>	602.7p	1.6	2.3	(8.6)	(7.8)	122.9	111.1
MSCI AC Asia Pacific ex Japan		1.2	4.6	(14.3)	(14.8)	61.0	45.4
MSCI AC Asia Pacific ex Japan Small Cap <sup>B</sup>		(0.6)	1.3	(19.5)	(23.6)	85.0	40.2

## Discrete performance (%)

Year ending:	31/12/11	31/12/10	31/12/09	31/12/08	31/12/07
Share Price	(5.1)	67.1	64.5	(22.3)	(0.8)
NAV <sup>A</sup>	(7.8)	53.6	57.3	(23.0)	23.0
MSCI AC Asia Pacific ex Japan	(14.8)	22.1	54.6	(33.0)	34.9
MSCI AC Asia Pacific ex Japan Small Cap <sup>B</sup>	(23.6)	28.7	88.1	(44.0)	35.4

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 par. Source: Aberdeen Asset Managers Limited, Factset and Morningstar.

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

<sup>B</sup> The MSCI AC Asia Pacific ex Japan Small Cap Index was first introduced by MSCI on the 31st of May 2007. However MSCI have subsequently gone back and created index values for this index dating back to the 31st of May 1994.

Past performance is not a guide to future performance. The value of shares may go down as well as up and an investor may not get back the amount invested.

## Fund managers' report

### Market Review

Asian equities posted modest gains in December. Eurozone debt worries and the possibility of further sovereign credit rating downgrades depressed sentiment but losses were mitigated by an injection of liquidity into Europe's banking system and better-than-expected US economic data. Asian small caps lagged their large cap counterparts.

Regional economies showed further signs of slowing, with Indian industrial output contracting for the first time in more than two years. Chinese factory production and exports decelerated, while forward-looking manufacturing indicators pointed to slowdowns in Taiwan and Korea.

Moderating inflationary pressures allowed central banks to hold or ease policy rates. Australia and Thailand cut benchmark rates, while mortgage rates were loosened for first-time homebuyers in Beijing and Shanghai.

### Portfolio Review

During the month, we pared Siam Makro following recent price strength and added to Cebu Holdings, the niche property developer in Cebu with a robust balance sheet, which is trading at a substantial discount to its asset value.

Fund managers' report continued overleaf ►

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

## Ten largest equity holdings

	Country	%
Siam Makro	Thailand	4.2
LPI Capital	Malaysia	4.0
AEON	Malaysia	3.6
Giordano International	Hong Kong	3.6
Bank OCBC NISP	Indonesia	3.3
Multi Bintang	Indonesia	3.2
Bukit Sembawang Estates	Singapore	3.2
Guinness Anchor	Malaysia	2.8
Asian Terminals	Philippines	2.7
M.P Evans	United Kingdom	2.7
<b>Total</b>		<b>33.3</b>
<b>Total number of investments</b>		<b>64</b>

## Country allocation (%)

	Trust	Regional Index	Month's market change
Malaysia	19.0	3.6	5.3
Hong Kong	16.1	8.4	3.2
Thailand	12.8	2.0	3.6
India	12.0	6.3	(4.9)
Singapore	11.3	5.0	(1.4)
Indonesia	8.7	3.1	4.6
Philippines	6.6	0.8	4.9
Sri Lanka	5.2	0.0	-
United Kingdom	2.7	0.0	-
Australia	1.7	25.8	(0.3)
Pakistan	1.6	0.0	-
Korea	1.0	15.3	(0.5)
New Zealand	0.9	0.4	4.5
China	0.0	18.2	3.7
Taiwan	0.0	11.2	4.2
Cash	0.4	-	-
<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.

## Portfolio characteristics

Three years to 31 December 2011 (£)

	Trust	Regional Index
<b>Annualised Statistics</b>		
Rate of return	30.6	17.2
Standard deviation	16.3	21.1
Tracking Error	13.8	-
Information Ratio	0.7	-
<b>Monthly Statistics</b>		
Max return	12.6	14.2
Min return	(7.1)	(9.6)
Average return	2.4	1.5
<b>Regression Statistics</b>		
Beta	0.6	1.0
Correlation to index	0.8	1.0

Source: Aberdeen Asset Managers Limited and Russell Mellon Analytical Services. Market Proxy: MSCI AC Asia Pacific ex Japan, Risk-free proxy is Sterling 3 months Interbank Rate.

Private investors 0500 00 00 40  
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All sources (unless indicated):  
Aberdeen Asset Managers Limited 31 December 2011.

## Aberdeen Asian Smaller Companies Investment Trust PLC

### Fund managers' report - continued

In earnings news, higher costs eroded Cafe de Coral and Kingmaker's profits, while Hung Hing Printing's margins were squeezed by the appreciating renminbi and weak exports. They remain well supported by their robust balance sheets. Meanwhile, Holcim Indonesia will invest an initial US\$200 million in a new cement plant in East Java. With completion in 2013, the facility will boost capacity and cut distribution costs greatly.

Asian stock markets will continue to face more of the same external headwinds in the year ahead. Global growth is likely to slow in 2012. Europe appears headed for a recession under the weight of austerity measures, while the US is still deleveraging, despite the recent improvement in short-term economic data. Asia is unlikely to escape these external problems unscathed. Yet, Asia's long-term prospects remain undiminished. This is because inflationary pressures appear to be ebbing, allowing central banks greater leeway in supporting growth. At the same time, governments in the region are in much better fiscal shape than those in developed countries, affording them the policy tools necessary to stimulate their flagging economies should the need arise.

### Important information

#### Risk factors you should consider prior to investing:

- In common with most investment companies, investment trusts 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 a relatively small movement, down or up, in the value of a trust's assets will result in a magnified movement, in the same direction, of that NAV.
- Movements in exchange rates can impact on both the level of income received and the capital value of your investment. If the currency of your country of residence strengthens against the currency in which the underlying investments of the Trust are made, the value of your investment will reduce and vice versa.
- The Trust 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. In some circumstances the underlying investments may become illiquid which may constrain the Investment Manager's ability to realise some or all of the portfolio. The registration and settlement arrangements in emerging markets may be less developed than in more mature markets so the operational risks of investing are higher. Political risks and adverse economic circumstances are more likely to arise putting the value of your investment at risk.
- The Trust invests in small companies, and / or companies investing in technology or venture and development capital stocks where the potential volatility may increase the risk to the value of your investment. Above average price movements may be expected.
- The value of shares and the income from them can go down as well as up and you may get back less than the amount invested.
- Past performance is not a guide to the future.
- There is no guarantee that the market price of shares in the Trust will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments, the value of investment trust shares on purchase will immediately fall by the difference between the buying and selling prices, known as the bid-offer spread.

#### Other important information:

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### Key information

Calendar	
Year end	31 July
Accounts published	October
AGM	November
Dividend paid	December
Launch date	October 1995
Fund manager	Asian Equities Team
Total expense ratio <sup>c</sup>	1.3%
<sup>c</sup> Year ended 31 July 2011.	
Annual management fee	1.2%
Premium/(Discount)	(0.9)%
Yield	2.1%
Gearing <sup>d</sup>	5.1%
Assets/Debt	
Gross assets	£m
Debt	222.6
Prior charges	10.8
	nil
<sup>d</sup> Gearing is expressed as a percentage of gross assets, which includes current year revenue, divided by shareholders' funds.	
Capital structure	
Ordinary shares	34,960,210
Treasury shares	2,186,290
Allocation of management fees and finance costs	
Capital	0%
Revenue	100%
Trading details	
Reuters/Epic/ Bloomberg code	AAS
Stockbrokers	Matrix Corporate Capital LLP
Market makers	SETSmm

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