



abrln China Investment Company Limited

Seeking long-term capital growth by investing predominantly in Chinese equities

Performance Data and Analytics to 31 October 2023

Investment objective

To produce long-term capital growth by investing predominantly in Chinese equities.

Benchmark

MSCI China All Shares Index in GBP (from 26 October 2021).

Cumulative performance (%)

	as at 31/10/23	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	392.0p	(10.6)	(17.8)	(21.1)	(12.0)	(32.7)	(14.6)
NAV	499.8p	(3.8)	(11.9)	(14.0)	(1.9)	(26.0)	(8.1)
Reference Index ^A		(3.2)	(9.0)	(9.0)	6.1	(20.1)	(3.7)

Discrete performance (%)

	31/10/23	31/10/22	31/10/21	31/10/20	31/10/19
Share Price	(12.0)	(35.5)	18.7	12.2	13.1
NAV	(1.9)	(37.0)	19.8	8.9	14.1
Reference Index ^A	6.1	(31.5)	9.9	8.7	10.9

Total return; NAV to NAV, gross 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: abrln Investments Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

Note on change of investment strategy

Prior to 26 October 2021, the Company's investment policy was to invest in emerging market funds of funds. Please note that performance data for time periods prior to 26 October 2021 relate to an investment objective and strategy that no longer applies.

^A Reference Index is the MSCI China All Shares Index since 26 October 2021 and MSCI Emerging Markets Index prior to that date.

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^C Holding comprises of A & H shares.

Morningstar Sustainability Rating™



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.

Twenty largest holdings (%)

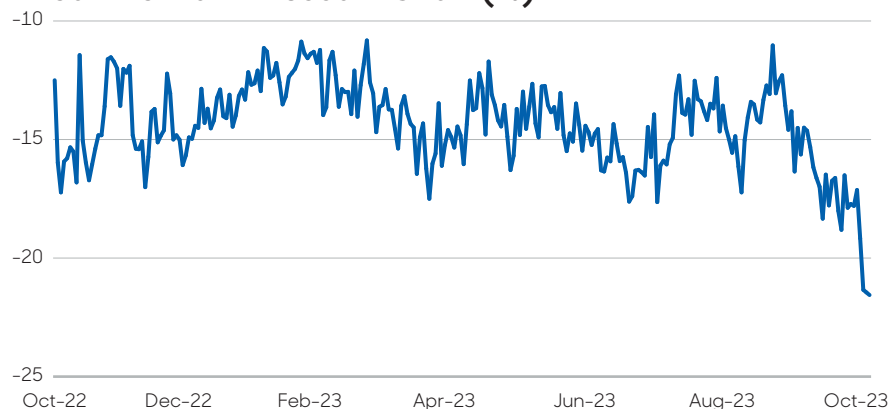
Tencent	9.2
Kweichow Moutai	6.6
Alibaba	5.6
China Merchants Bank ^C	3.8
Pinduoduo	3.4
AIA	3.1
Contemporary Amperex Technology	2.8
Meituan	2.7
BYD	2.6
Bank of Ningbo	2.5
Netease	2.4
Wuxi Biologics	1.9
Aier Eye Hospital	1.9
Maxscend Microelectronics	1.9
Shenzhen Mindray Bio-Medic	1.9
Hong Kong Exchanges & Clearing	1.8
JD.com	1.8
Proya Cosmetics	1.7
China Life Insurance	1.7
Fuyao Glass Industry	1.6
Total	60.9

Total number of investments 62

All sources (unless indicated): abrln: 31 October 2023.



1 Year Premium/Discount Chart (%)



Fund managers' report

Market and portfolio review

October saw Chinese stock markets continue to slide amid ongoing investor outflows despite the economy showing signs of recovery. Domestically, data from the Golden Week holiday aligned with analyst expectations, with the average revenue per traveller at its highest since the pandemic. Meanwhile, the Chinese government announced that it will issue RMB 1 trillion (£112 billion) of special treasury bonds to support local infrastructure, which is another step up in its efforts to boost the wider economy.

In other developments, the Chairman of leading property developer Gemdale, which we do not hold, resigned after Moody's downgraded the company's rating. His departure unsettled investors, who continued to worry about debt levels and sales momentum in the real estate segment.

Turning to political news, China's Foreign Minister Wang Yi met with US Secretary of State Antony Blinken and President Biden in Washington. Hopefully, this will pave the way for a meeting between the US leader and President Xi at November's Asia-Pacific Economic Cooperation (APEC) summit in San Francisco.

Macroeconomic data was mixed, with third-quarter GDP growth registering at 4.9% year on year. This was higher than the 4.4% predicted by analysts and interpreted as evidence of the government's supportive measures feeding through into economic activity.

Conversely, the official manufacturing Purchasing Managers' Index (PMI) survey declined to 49.5 in October from 50.2 in September, while the non-manufacturing PMI slipped to 50.6, which was its weakest reading since the removal of pandemic-related restrictions. The market pointed to softer demand and the impact of the Golden Week holiday as the principal drivers of the retreat.

Fund managers' report continues overleaf

^cNote that while the risk statistics are calculated over 5 years, the mandate was changed in October 2021.

^dExpressed as a percentage of average daily net assets for the year ended 31 October 2022. 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.

Sector allocation (%)

Consumer Discretionary	22.1
Financials	15.4
Consumer Staples	14.3
Communication Services	11.6
Industrials	10.9
Information Technology	8.9
Health Care	8.8
Materials	3.6
Real Estate	2.1
Cash	2.2
Total	100.0

Fund risk statistics

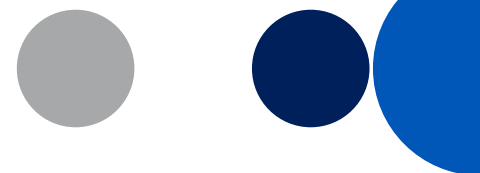
	5 Years ^c
Return (Fund) p.a. as at 31/10/2023	(0.51)
Return (Benchmark) p.a. as at 31/10/2023	(3.72)
Annualised Tracking Error	5.46
Alpha	0.06
Beta	1.12
Correlation	0.98

Source: abrdrn & Factset.
Basis: Total Return, Net of Fees, GBP.
Please note that risk analytics figures are calculated on net asset value (NAV) returns. In addition, the risk analytics figures lag the performance figures.

Key information

Calendar

Year end	October
Accounts published	February
Annual General Meeting	April
Dividend paid	March
Launch date	21 June 1998. Mandate changed 26 October 2021
Fund manager	Nicholas Yeo and Elizabeth Kwik
Annual management fee	0.8% of first £150m of Market Cap, 0.75% on next £150m of Market Cap and 0.65% on the Market Cap over £300m
Ongoing charges ^d	0.60%



Fund managers' report – continued

Elsewhere, year-on-year consumer inflation in September was flat at 0.0%, and retail sales growth was up by 5.5% from 4.6% in August. Lastly, industrial profits increased by 11.9% year on year in Sept. This followed the 17.2% growth reported in August.

Turning to the Trust's performance in October, the net asset value total return was -3.8% in sterling terms. This compares to the reference index total return of -3.2%.

Looking at the laggards, technical services firm Centre Testing declined when project delays dented its third-quarter results. Unsubstantiated market concerns about slowing growth impacted spirits manufacturer Kweichow Moutai, and construction software specialist Glodon dipped when it issued disappointing results. Among our financial holdings, China Merchants Bank fell amid ongoing net-interest margin pressure and concerns about asset quality continuing across the industry.

Notable stock winners over the month included Maxscend Microelectronics. The company delivered strong third-quarter results thanks to the recovering smartphone market. Insurer AIA also rose following the flow-driven slump experienced this year. Other positive positions included Chacha Food, which also posted expectation-beating results in the September quarter, and internet technology group Netease, whose game offerings continued to perform well. Meanwhile, our zero weighting in technology multinational Baidu added relative value when it announced a weaker-than-anticipated third-quarter earnings outlook.

Outlook

Despite the government's continuously supportive tone and initiatives, market sentiment remains cautiously optimistic. However, these policies send a strong signal that the authorities are intensifying their efforts to support the economy. This bodes well for the economy and stock market for the rest of 2023.

More broadly, we believe in the long-term growth potential of the five themes: aspiration, digital, health, wealth and green, and think that the current low-valuation environment is ripe for picking high-quality assets at attractive prices.

The risks outlined overleaf relating to gearing, exchange rate movements and emerging markets are particularly relevant to this investment company but should be read in conjunction with all warnings and comments given.
Important information overleaf

Key information continued

Gross assets	£228.5m
Debt	£15.4m
Cash & cash equivalents	£8.7m
Net gearing	3.1%
Discount	(21.6)%
Yield	0.8%

AIFMD Leverage Limits

Gross Notional	2X
Commitment	2X

Capital structure

Ordinary shares	42,652,309
Treasury shares	19,520,638

Trading details

Reuters/Epic/ Bloomberg code	ACIC
ISIN code	GG00B45L2K95
Sedol code	B45L2K9
Stockbrokers	Shore Capital Deutsche Numis



Factsheet

Receive the factsheet by email as soon as it is available by registering at www.investments.co.uk/signup or www.abrdnchina.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.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This may mean your money is at greater risk.
- 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.
- 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.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- 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.
- 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.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- The Company invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Company.

Other important information:

The Company is a Closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission.

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