

# Invesco Asia Trust

Positive performance from 'best ideas' portfolio

Invesco Asia Trust (IAT) aims to achieve long-term capital growth through investing in undervalued companies in the Asia-Pacific region, including Australia but excluding Japan. The trust has outperformed the benchmark MSCI AC Asia Pacific ex Japan Index over one, three, five and 10 years and has recently seen its discount tighten to a band below its longer-term average. Managers Stuart Parks and Ian Hargreaves continue to see good potential for medium-term economic improvements in the region, partially driven by reforms in China and India, and are focusing on positioning the portfolio to benefit from this.

12 months ending	Share price (%)	NAV (%)	MSCI AC Asia Pac ex-Jap (%)	MSCI World (%)	FTSE All-Share (%)
31/05/11	24.3	21.6	17.7	13.6	20.4
31/05/12	(12.3)	(11.0)	(11.9)	(4.3)	(8.0)
31/05/13	21.6	23.1	23.0	30.5	30.1
31/05/14	5.4	3.8	(1.4)	8.0	8.9

Source: Thomson Datastream. Note: Total return basis.

## Investment strategy: Looking for value in Asia

IAT combines top-down and bottom-up factors to construct a 'best ideas' portfolio of 50-60 companies (drawn from a universe of c 500) that have strong competitive advantages together with earnings growth prospects that are not reflected in valuations. The trust is geographically diversified across Asia (excluding Japan) and focuses on larger, more liquid markets, although it has tended to have an underweight to Australia, which makes up a quarter of the benchmark. It is unconstrained by benchmark stock or country weightings. The portfolio is currently overweight Hong Kong/China, Korea and India, with a tilt towards more economically sensitive sectors.

## Outlook: Value opportunities in period of adjustment

After suffering negative returns for much of 2013 on fears over the pace and scale of Federal Reserve QE tapering, Asian markets have begun to advance again in recent months, buoyed by reform-minded new governments in China and India. However, some of the larger regional economies still need to adjust to lower growth expectations, and there is a wide divergence of valuations relative to long-term levels, with China's 12-month forward P/E barely half its 10-year average, while India's is 13% and Thailand's is 22% higher. The world market 12-month forward P/E is currently 17% above its 10-year average, however, suggesting there may be better value opportunities in some Asian markets than in more developed peers.

## Valuation: Discount average but still wider than peers

With its ex-income discount to net asset value standing at 9.9% on 25 June, IAT is currently trading close to its average over the past one, three, five and 10 years. In the past three years the average ex-income discount is 9.7%, and the trust has traded in a fairly wide discount band from 4.9% to 14.2% in this period (6.3% to 14.9% on a cum-income basis). Following a tender offer in August 2013, a limited programme of buybacks has kept the discount in the sub-10% target range, meaning there will be no tender offer in the trust's current financial year.

**Invesco Asia Trust is a research client of Edison Investment Research Limited**

## Investment trusts

26 June 2014

**Price** 169p  
**Market cap** £150m  
**AUM** £168m

NAV\* 187.94p  
Discount to NAV\* 9.9%  
NAV\*\* 192.98p  
Discount to NAV\*\* 12.3%  
Yield 1.9%

\*Excluding income. \*\*Including income. Data at 25 June 2014.

Ordinary shares in issue 88.9m

Code IAT

Primary exchange LSE

AIC sector Asia Pacific ex-Japan

## Share price/discount performance\*



\*Excluding income.

## Three-year cumulative perf. graph



52-week high/low 175.50p 146.12p

NAV\* high/low 191.66p 163.48p

\*Excluding income.

## Gearing

Gross 1.0%

Net 0.1%

## Analysts

Sarah Godfrey +44 (0)20 3681 2519

Andrew Mitchell +44 (0)20 3681 2500

[investmenttrusts@edisongroup.com](mailto:investmenttrusts@edisongroup.com)

[Edison profile page](#)

### Exhibit 1: Trust at a glance

#### Investment objective and fund background

The investment objective of Invesco Asia Trust is to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian companies. The trust aims to achieve growth in its net asset value in excess of the MSCI All Countries Asia Pacific ex-Japan Index, measured in sterling.

#### Recent developments

- 11 March 2014: Interim management statement for the three months to 31 January. NAV TR -7.8% vs -9.3% for MSCI AC Asia Pacific ex-Japan benchmark.
- 16 December 2013: Half-year results for six months to 31 October. NAV TR +3.2% vs -1.8% for benchmark.

#### Forthcoming

AGM	August 2014
Preliminary results	July 2014
Year end	30 April
Dividend paid	July/August
Launch date	July 1995
Continuation vote	See page 7

#### Capital structure and fees

Ongoing charges	1.0% (31/3/14)
Net gearing	0.1%
Annual mgmt fee	0.75% of net assets
Performance fee	No
Trust life	Indefinite
Bank loan	£20m multi-currency

#### Fund details

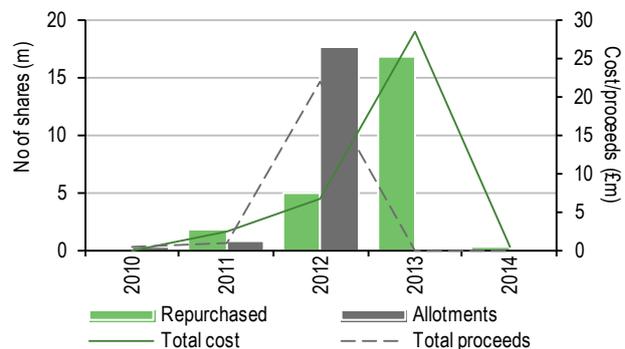
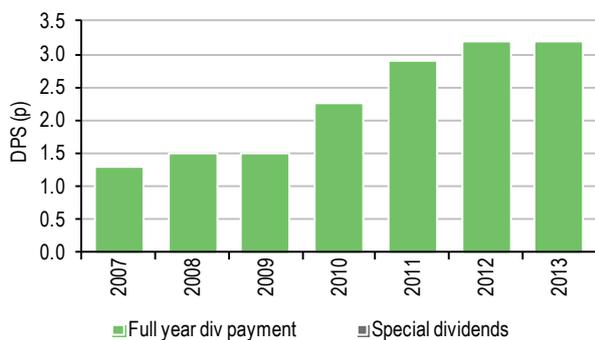
Group	Invesco Asset Management Ltd
Managers	Stuart Parks, Ian Hargreaves
Address	125 London Wall London EC2Y 5AS
Phone	+44 (0)20 3753 1000
Website	<a href="http://www.invescoperpetual.co.uk">www.invescoperpetual.co.uk</a>

#### Dividend policy and history

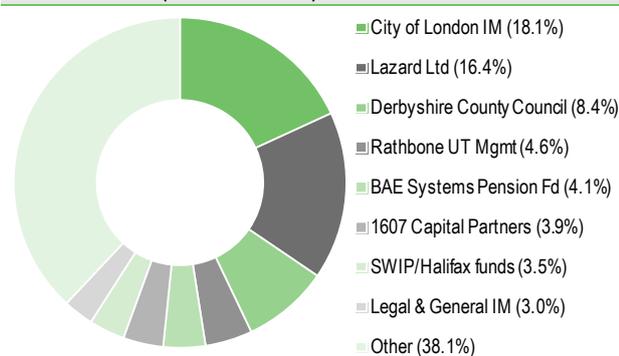
Dividends are paid annually in July/August. Income is a by-product of stock selection and there is no yield target.

#### Share buyback policy and history

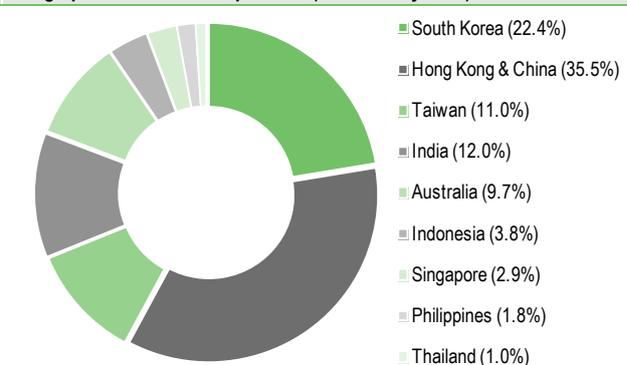
Renewed annually, the trust has authority to purchase up to 14.99% and allot up to 5% of issued share capital.



#### Shareholder base (as at 9 June 2014)



#### Geographical allocation of portfolio (as at 31 May 2014)



#### Top 10 holdings

Company	Country	Sector	Portfolio weight %	
			31 May 2014	30 November 2013*
Samsung Electronics	South Korea	Information technology	6.2	6.6
Hutchison Whampoa	Hong Kong	Industrial conglomerates	4.5	4.6
UPL	India	Materials	3.8	3.2
Taiwan Semiconductor Manufacturing	Taiwan	Information technology	3.4	3.2
Korea Electric Power Corporation	Korea	Utilities	2.9	N/A
Baidu	China	Information technology	2.8	4.2
NetEase	China	Information technology	2.8	2.9
Greatview Aseptic	China	Food packaging	2.7	N/A
Hon Hai Precision Industry	Hong Kong	Information technology	2.6	N/A
ICICI Bank	India	Financials	2.5	N/A
<b>Top 10 (% of portfolio)</b>			<b>34.0</b>	<b>35.9</b>

Source: Invesco Asia Trust, Bloomberg, Thomson Datastream, Edison Investment Research. Note: \*Where no figure is shown for November 2013 portfolio weight, the stock was not in the top 10.

## Market outlook: Balancing growth and value

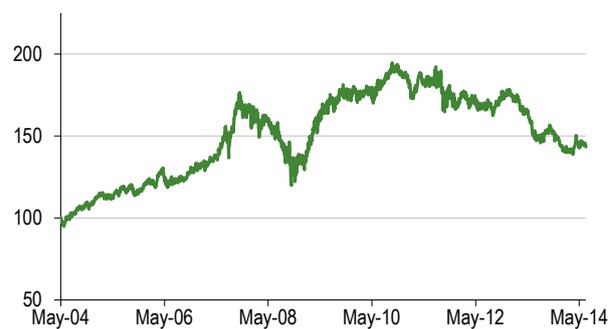
While over the long term Asia-Pacific ex-Japan markets have performed strongly, the upward path has been far from smooth (Exhibit 2). Moreover, since 2010 Asian markets have generally underperformed the wider world (Exhibit 3), a trend that accelerated in 2013 when the Federal Reserve raised the possibility of tapering its quantitative easing programme. Liquidity from QE had flowed into risk assets such as Asian equities and this 'hot money' reversed in anticipation of higher bond yields in the West. However, the pace of Fed tapering has been orderly, and in recent months Asian equities have recovered somewhat, with the MSCI AC Asia Pacific ex-Japan Index returning 3.3% year-to-date in 2014, compared with 3.8% for the MSCI World and 1.9% for the FTSE All-Share.

**Exhibit 2: MSCI AC Asia Pacific ex-Japan**



Source: Thomson Datastream, Edison Investment Research

**Exhibit 3: MSCI AC Asia Pacific ex-Japan/MSCI World**



Source: Thomson Datastream, Edison Investment Research

The outlook for Asian markets depends partly on the extent to which some of the region's larger economies can adjust to a lower growth path: latest forecasts from the IMF show China moving to 7.1% average GDP growth from 2014-19, compared with 10.1% from 2006-13, with India forecast to drop from 7.2% to 6.2% and Singapore from 5.8% to 3.7% over the same periods. In aggregate, however, the 6.0% weighted average GDP growth forecast for the Asia ex-Japan region for 2014-19 is only modestly below the 6.6% achieved from 1996 to 2013. Meanwhile, the valuation picture is mixed: China currently trades on little more than half its 10-year average forward P/E ratio, while India's 12-month forward P/E is 13% above the 10-year average and Thailand is 22% above its 10-year average. With the Asia ex-Japan regional 12-month forward P/E almost exactly in line with the long-term average, a selective approach may be needed to capture the optimum returns.

## Fund profile: Diversified Asia-Pacific specialist

Invesco Asia Trust was set up in July 1995 as a successor to the pan-Asian Drayton Far Eastern Trust. Initially run from Hong Kong, since 2004 the trust has been managed in Henley-on-Thames by Invesco Perpetual's head of Asian equities, Stuart Parks, with Ian Hargreaves (on the team since 2005) named co-manager in 2011. The trust seeks capital growth by investing in companies in the Asia-Pacific region, excluding Japan but including Australia. It is not constrained by its benchmark, the MSCI AC Asia Pacific ex-Japan index, but is risk-aware and geographically diversified.

## Managers: Stuart Parks and Ian Hargreaves

### The managers' view: Macroeconomic picture improving

Weaker sentiment towards Asian markets, driven by worries over the withdrawal of liquidity as recovering Western economies begin to scale back on quantitative easing, has begun to reverse, in

part because of the measured pace of Federal Reserve tapering. IAT's managers Stuart Parks and Ian Hargreaves also point to a lessening of political uncertainty, with the new Chinese government focused on achieving a more sustainable growth path, and the victory of Narendra Modi's BJP in the Indian general election giving investors confidence that inefficiency and under-investment in the world's second most populous nation will be addressed.

Hargreaves says that considerable progress has been made so far this year in countries with large current account deficits and weak currencies, such as India and Indonesia, although he does not expect economic growth in the region to return to pre-2010 levels in the near future. He draws a contrast between India and China, with the former having seen an economic slump followed by an election and a big rebound in the stock market, while the latter is struggling with concurrent political change and economic slowdown, compounding the uncertainties for observers. Whether the Chinese government can balance a smooth transition to a lower level of economic growth, while not allowing credit growth to continue at its recent pace, will be key to its success. While credit growth remains faster than many commentators would like, the government is aware of this and is taking measures to moderate demand as well as availability. Because of the issues in China, the managers are concentrating on stock-specific opportunities, largely avoiding banks because of the difficulty in quantifying non-performing loans, but taking selective stakes in state-owned enterprises such as PetroChina, which are seeing a re-rating as investors become convinced of the Chinese government's commitment to tackling corruption. The military coup in Thailand and unrest in Vietnam have had limited impact either locally (both markets are up year-to-date) or on the wider region; individually these markets are small and IAT has little or no exposure to them.

## Asset allocation

---

### Investment process: Stock picking with a top-down overlay

The managers combine top-down and bottom-up factors to construct a portfolio of stocks with strong competitive advantages that are seen as undervalued relative to their medium- to long-term growth prospects. Although based in Invesco Perpetual's Henley-on-Thames office, the managers regularly visit the Asia-Pacific region to meet with management of current and potential holdings. Bottom-up analysis is the main driver of stock selection, with in-house and external research combining with financial analysis to arrive at an understanding of past and future business drivers and a profile of risk and potential return for each stock. However, the managers point out that, particularly in cyclical sectors, it is hard to separate top-down and bottom-up factors, as political decisions drive economic policy, and economic growth feeds through into earnings growth. Stock positions are taken based on conviction rather than weightings relative to the benchmark, as illustrated by the fact that four of the top 10 holdings are absent from the MSCI AC Asia Pacific ex-Japan Index, with a further four having index weightings of between 0.1% and 0.8%. Turnover for the past three years has been c 35% a year, implying an average three-year holding period.

### Current portfolio positioning

As of the end of May there were 62 holdings in the IAT portfolio, largely in line with the 66-stock average for the AIC Asia Pacific ex-Japan peer group. Having cut the target number of holdings from 60-90 to 50-60 in 2012, the managers are keen that the number of stocks does not creep up from current levels, so tend only to initiate new holdings where they have exited another stock. The top 10 holdings make up 34% of assets, which again is in line with the weighted sector average.

The portfolio is diversified by sector, with the largest weighting versus the benchmark in IT stocks, including Chinese internet names Baidu and NetEase alongside the better-known Samsung and Taiwan Semiconductor. The managers had begun to trim the holding in Baidu, the 'Chinese Google', earlier in 2014 following negative profits guidance, but have recently been building the

position again after re-examining the investment case, as they feel the falling cost and rising revenues from mobile search will be positive for Baidu in a market where many people will access the internet for the first time from a smartphone.

#### Exhibit 4: Sector allocations as at 31 May 2014

	Portfolio weight (%)	MSCI AC Asia-Pacific ex-Japan weight (%)	Active weight vs benchmark (% points)	Trust weight/index weight
Information tech	21.2	16.1	5.1	1.3
Materials	12.7	8.8	4.0	1.5
Industrials	11.4	8.1	3.4	1.4
Consumer discretionary	9.9	7.8	2.2	1.3
Energy	5.7	5.9	-0.1	1.0
Utilities	2.9	3.4	-0.5	0.8
Healthcare	1.5	2.2	-0.7	0.7
Financials	27.4	29.5	-2.1	0.9
Telecom services	2.8	5.1	-2.3	0.5
Real estate	3.4	6.8	-3.4	0.5
Consumer staples	1.2	6.5	-5.3	0.2
Cash	-0.1	0.0	-0.1	n/a
	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	<b>n/a</b>

Source: Invesco Asia, Edison Investment Research. Note: Ranked by active weight (except cash).

Geographical distribution is an output of both bottom-up and top-down views. The managers increased exposure to India before the general election and have done well in the rally that followed Narendra Modi's victory. Exposure here is diversified by sector, with stocks including IT services provider Tata Consultancy Services (a recent addition to the portfolio, replacing Infosys, which has been negatively affected by senior staff turnover); banks ICICI and HDFC Bank, the latter of which is well positioned to extend banking services into underserved rural communities; a new position in generic drugmaker Glenmark Pharmaceutical, whose R&D operations Parks and Hargreaves see as undervalued by the market; and long-standing industrial holding UPL (formerly United Phosphorus). Hong Kong and China are collectively the largest overweight, although within this the managers are underweight state-owned enterprises and the banking sector in China. The large underweight to Australia is driven partly by macro considerations including the juxtaposition of currency strength with declining economic fundamentals, but also because in a market with a highly developed local fund management industry, it is hard to find stocks whose value is under-appreciated. An exception is recent purchase Transfield, a small-cap G4S-style support services business, which performed poorly following acquisitions made before the financial crisis and is very out-of favour as a result, but is showing signs of turning around under new management.

Gearing is currently at just 0.1%, which is below the 'neutral' level of 5%. However, with the managers keen to avoid any lengthening in the stock list, they say they would need to consider which existing holdings to top up if they were to increase the gearing.

#### Exhibit 5: Geographical analysis as at 31 May 2014

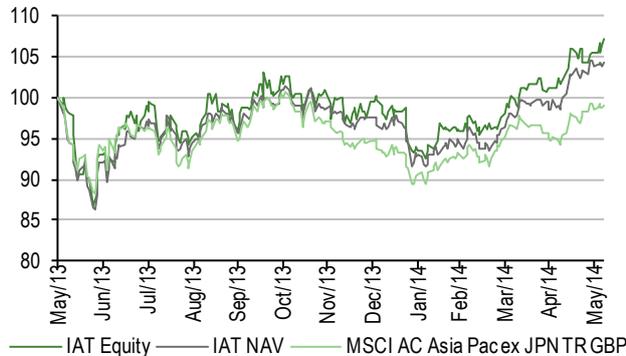
	Portfolio weight (%)	MSCI AC Asia-Pacific ex-Japan weight (%)	Active weight vs benchmark (% pts)	Trust weight/index weight
Hong Kong & China	35.5	26.9	8.6	1.3
South Korea	22.4	15.2	7.3	1.5
India	12.0	6.6	5.4	1.8
Indonesia	3.8	2.4	1.4	1.6
Philippines	1.8	0.9	0.9	2.0
Taiwan	11.0	11.4	-0.4	1.0
Thailand	1.0	2.0	-1.1	0.5
Singapore	2.9	4.9	-2.0	0.6
Malaysia	0.0	3.6	-3.6	n/a
Australia	9.7	25.7	-16.0	0.4
Cash	-0.1	0.0	-0.1	n/a
	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>	

Source: Invesco Asia Trust, Edison Investment Research. Note: Rounding errors mean some figures may not sum. Ranked by active weight (except cash).

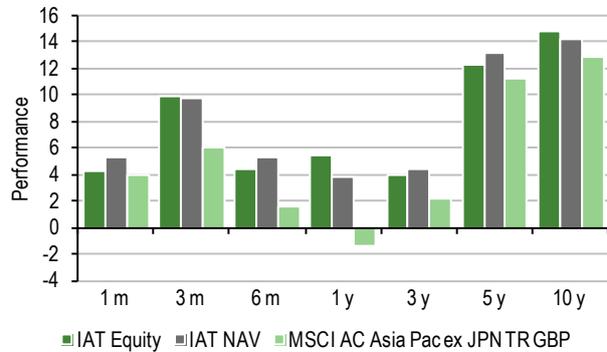
## Performance: Ahead of benchmark over all periods

**Exhibit 6: Investment trust performance**

Price, NAV and benchmark total return performance, one-year rebased



Price, NAV and benchmark total return performance (%)\*



Source: Thomson Datastream, Edison Investment Research. Note: \*Three, five and 10-year figures are annualised.

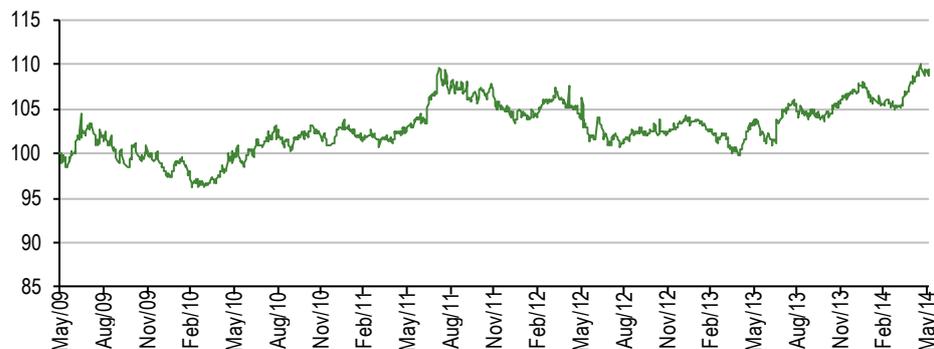
**Exhibit 7: Share price and NAV total return performance, relative to market indices (%)**

	One month	Three months	Six months	One year	Three years	Five years
Price relative to MSCI AC Asia Pac ex Japan	0.3	3.6	2.7	6.9	5.1	5.3
NAV relative to MSCI AC Asia Pac ex Japan	1.4	3.5	3.6	5.3	6.4	9.3
Price relative to MSCI World index	1.5	6.4	0.1	(2.4)	(16.7)	(8.0)
NAV relative to MSCI World index	2.5	6.3	0.9	(3.9)	(15.7)	(4.4)
Price relative to FTSE All Share index	2.9	8.9	(0.3)	(3.2)	(13.8)	(7.3)
NAV relative to FTSE All Share index	3.9	8.9	0.4	(4.6)	(12.7)	(3.7)

Source: Thomson Datastream, Edison Investment Research. Notes: Data to 31 May 2014. MSCI AC Asia Pacific ex-Japan in £ is the IAT benchmark. All indices total return and in sterling terms. Geometric calculation.

IAT measures its performance against the MSCI AC Asia Pacific ex-Japan Index, although it is unconstrained by the benchmark (for instance, its weighting to Australia is 16 percentage points below that of the index) and thus its performance is likely to diverge. The trust has outperformed the index over all the periods shown in Exhibits 6 and 7 on both a share price and NAV total return basis. As can be seen in the left-hand chart of Exhibit 6 and also in Exhibit 8, the trust has done particularly well relative to the benchmark over the three months since March, a period in which the Indian market, where the trust is overweight, has performed strongly, while Australia, which makes up a quarter of the index, has been flat. Longer-term performance is strong, with IAT producing returns of more than 10% a year over both five and 10 years. However, as shown in Exhibit 7, Asian markets have been out of favour relative to those in the West, leading to underperformance versus the UK and World indices over all periods of a year or more. This trend shows signs of reversing.

**Exhibit 8: Invesco Asia performance relative to MSCI AC Asia Pacific ex-Japan**



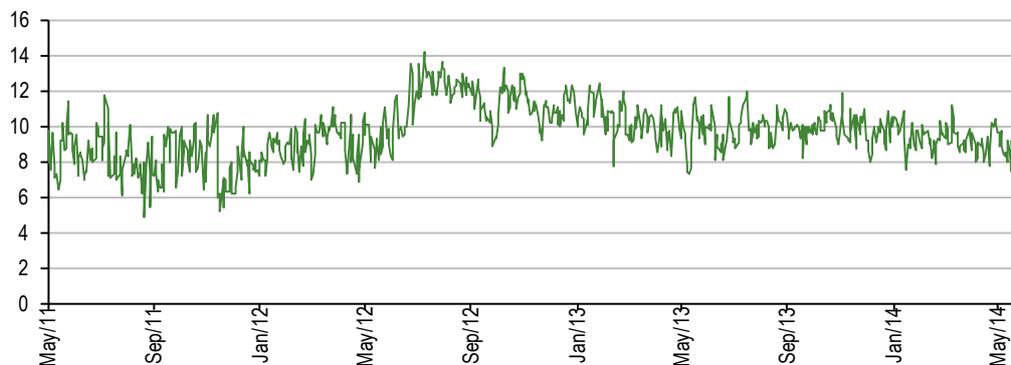
Source: Thomson Datastream, Edison Investment Research

## Discount: Close to its average but wider than peers

At 25 June IAT's shares stood at an ex-income discount to net asset value of 9.9% (12.3% cum-income). This was in line with the averages over one, three, five and 10 years (range of 9.0% to 9.7%). However, the trust has one of the widest discounts in the AIC Asia Pacific ex-Japan peer group, where the cum-income average discount was 5.4% at 25 June, or 8.0% excluding the three income specialists in the sector, all of which have recently been trading at a premium to NAV.

IAT has a discount control mechanism aimed at maintaining the ex-income dividend below 10%, and year-to-date in 2014 the trust has bought back 229,000 shares, costing £358k. If the ex-income discount averages more than 10% during a financial year, a 15% tender offer is triggered. Such a tender took place in August 2013, with 15.9m shares validly tendered at a 2% discount to NAV. No such offer will take place in 2014 as the average discount over the year to 30 April was below 10%.

**Exhibit 9: Discount over three years (NAV at fair excluding income)**



Source: Thomson Datastream, Edison Investment Research. Note: Positive values indicate a discount.

## Capital structure and fees

IAT is a conventional investment trust with 88.9m ordinary shares in issue, of which 3.3m are held in treasury. This is roughly the same number of shares as two years ago, although during the intervening period the final exercise of subscription shares in 2012 added 17.6m shares, while 15.9m were bought back in a tender offer in 2013. The trust has an indefinite life, although it is subject to a three-yearly vote on voluntary liquidation, which can be waived with shareholder approval. At the August 2013 AGM shareholders voted to release the board from the obligation to hold a continuation vote in 2014, so the next vote (unless waived) is now scheduled for 2017.

The trust has a £20m multicurrency borrowing facility, the majority of which is currently undrawn, with gearing at 0.1%. Gearing of 5% is viewed as a neutral position. Invesco Perpetual receives a management fee of 0.75% of net assets, paid quarterly in arrears. The most recent ongoing charges were 1.0%, among the lowest in IAT's peer group, and there is no performance fee.

## Dividend policy and record

IAT's objective is to achieve long-term capital growth, and as such it has no specific yield target, although its value-orientated investment strategy means it does invest in some higher-yielding stocks. Net earnings are distributed as a dividend once a year in July or August. The last dividend, paid in August 2013, was 3.2p, representing a yield of 1.85% based on the 18 June share price. Dividends have been maintained or increased in each of the past 12 years, and at the 31 October half-year the trust had revenue reserves of 5.3p per share.

## Peer group comparison

The Association of Investment Companies' Asia Pacific ex-Japan peer group is a diverse sector, with 14 trusts including smaller company and income specialists. Over one year to 25 June, IAT is the top performer in NAV total return terms, with an 19.4% return compared with the sector weighted average of 5.2%. It also scores well for risk-adjusted performance, as one of only two trusts with a positive Sharpe ratio over one year. Over three and five years NAV performance is mid-table and below the weighted average. If the three income-focused trusts in the sector are excluded, IAT has the joint highest yield, while its cum-income discount is the widest in the group.

### Exhibit 10: Asia Pacific ex-Japan investment trusts

% unless stated	Market cap £m	TR one year	TR three years	TR five years	Ongoing charge	Perf. fee	Discount (-) /premium	Net gearing	Yield	Sharpe NAV 1 year	Sharpe NAV 3 years
<b>Invesco Asia Trust</b>	<b>150.4</b>	<b>19.4</b>	<b>13.4</b>	<b>87.6</b>	<b>1.1</b>	<b>No</b>	<b>-12.8</b>	<b>100.0</b>	<b>1.9</b>	<b>0.1</b>	<b>0.2</b>
Aberdeen Asian Income	385.0	-0.6	29.5	120.7	1.2	No	0.6	102.0	4.0	-1.1	0.7
Aberdeen Asian Smaller	340.4	-4.3	43.3	206.4	1.2	No	-1.5	110.0	1.1	-0.9	0.9
Aberdeen New Dawn	217.5	2.3	10.6	94.6	1.1	No	-10.7	108.0	1.9	-0.6	0.2
Asian Total Return Inv Company	127.9	2.0	-4.5	42.9	0.8	Yes	-7.9	99.0	1.9	-0.7	-0.1
Edinburgh Dragon	514.5	2.0	11.7	86.5	1.2	No	-9.5	110.0	0.8	-0.9	0.2
Fidelity Asian Values	145.7	16.5	11.6	90.0	1.6	No	-11.9	108.0	0.5	0.1	0.1
Henderson Far East Income	339.6	6.0	18.9	63.5	1.3	No	1.8	103.0	5.6	-1.0	0.3
JPMorgan Asian	194.9	6.0	-8.0	37.1	0.8	Yes	-10.9	102.0	1.3	-0.8	-0.3
Pacific Assets	189.9	13.4	31.1	93.3	1.2	Yes	-3.1	94.0	1.6	-0.2	0.6
Pacific Horizon	125.4	17.1	10.7	73.2	1.2	No	-10.1	99.0	0.8	-0.2	0.1
Schroder Asia Pacific	420.1	6.0	17.5	96.4	1.1	No	-10.0	98.0	1.4	-0.7	0.3
Schroder Oriental Income	401.8	4.6	30.1	136.1	1.0	Yes	-0.2	107.0	4.1	-0.9	0.6
Scottish Oriental Smaller Cos	259.2	8.9	36.9	182.3	1.0	Yes	-3.6	91.0	1.4	-0.7	0.7
<b>Sector weighted average</b>		<b>5.2</b>	<b>20.6</b>	<b>108.0</b>	<b>1.1</b>		<b>-5.4</b>	<b>103.1</b>	<b>2.2</b>	<b>-0.7</b>	<b>0.4</b>
<b>IAT rank in sector</b>	<b>11</b>	<b>1</b>	<b>8</b>	<b>9</b>	<b>9</b>		<b>14</b>	<b>9</b>	<b>5</b>	<b>1</b>	<b>8</b>

Source: Morningstar, 25 June 2014, Edison Investment Research. Notes: TR = NAV total return. The Sharpe ratio is a measure of risk-adjusted return. The ratios we show are calculated by Morningstar for the past 12- and 36-month periods by dividing a fund's annualised excess returns over the risk-free rate by its annualised standard deviation. Net gearing is shown here as total assets less cash/cash equivalents as a percentage of shareholders' funds.

## The board

IAT has four directors. Carol Ferguson joined the board in 2009 and was appointed chairman in 2013 on the retirement of David Hinde. James Robinson has served on the board since 2007, while Tom Maier was appointed in 2009. The newest board member, Owen Jonathan, joined the board in March 2013.

Edison, the investment intelligence firm, is the future of investor interaction with corporates. Our team of over 100 analysts and investment professionals work with leading companies, fund managers and investment banks worldwide to support their capital markets activity. We provide services to more than 400 retained corporate and investor clients from our offices in London, New York, Frankfurt, Sydney and Wellington. Edison is authorised and regulated by the Financial Conduct Authority ([www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584](http://www.fsa.gov.uk/register/firmBasicDetails.do?sid=181584)). Edison Investment Research (NZ) Limited (Edison NZ) is the New Zealand subsidiary of Edison. Edison NZ is registered on the New Zealand Financial Service Providers Register (FSP number 247505) and is registered to provide wholesale and/or generic financial adviser services only. Edison Investment Research Inc (Edison US) is the US subsidiary of Edison and is regulated by the Securities and Exchange Commission. Edison Investment Research Limited (Edison Aus) [46085869] is the Australian subsidiary of Edison and is not regulated by the Australian Securities and Investment Commission. Edison Germany is a branch entity of Edison Investment Research Limited [4794244]. [www.edisongroup.com](http://www.edisongroup.com)

#### DISCLAIMER

Copyright 2014 Edison Investment Research Limited. All rights reserved. This report has been commissioned by Invesco Asia Trust and prepared and issued by Edison for publication globally. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of Edison at the time of publication. The securities described in the Investment Research may not be eligible for sale in all jurisdictions or to certain categories of investors. This research is issued in Australia by Edison Aus and any access to it, is intended only for "wholesale clients" within the meaning of the Australian Corporations Act. The Investment Research is distributed in the United States by Edison US to major US institutional investors only. Edison US is not registered as an investment adviser with the Securities and Exchange Commission. Edison US relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. As such, Edison does not offer or provide personalised advice. We publish information about companies in which we believe our readers may be interested and this information reflects our sincere opinions. The information that we provide or that is derived from our website is not intended to be, and should not be construed in any manner whatsoever as, personalised advice. Also, our website and the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). It is not intended for retail clients. This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. This document is provided for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. Edison has a restrictive policy relating to personal dealing. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report. Edison or its affiliates may perform services or solicit business from any of the companies mentioned in this report. The value of securities mentioned in this report can fall as well as rise and are subject to large and sudden swings. In addition it may be difficult or not possible to buy, sell or obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (ie without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision. To the maximum extent permitted by law, Edison, its affiliates and contractors, and their respective directors, officers and employees will not be liable for any loss or damage arising as a result of reliance being placed on any of the information contained in this report and do not guarantee the returns on investments in the products discussed in this publication. FTSE International Limited ("FTSE") (c) FTSE [2013]. "FTSE(r)" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices and/or FTSE ratings vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices and/or FTSE ratings or underlying data. No further distribution of FTSE Data is permitted without FTSE's express written consent.