

# Aberdeen Emerging Markets Investment Company Limited

## Investment Company

Performance Data and Analytics to 31 August 2019

### Investment objective

To achieve consistent returns for shareholders in excess of the MSCI Emerging Markets Net Total Return Index in sterling terms.

### Benchmark

MSCI Emerging Markets Net Total Return Index in sterling terms.

### Cumulative performance (%)

	as at 31/08/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	573.0p	(5.5)	2.9	6.1	6.8	30.7	36.5
NAV <sup>a</sup>	671.1p	(5.4)	5.2	7.3	7.1	25.4	41.2
MSCI Emerging Markets		(4.4)	3.3	4.1	2.1	27.2	39.0

### Discrete performance (%)

Year ending	31/08/19	31/08/18	31/08/17	31/08/16	31/08/15
Share Price	6.8	(5.8)	29.9	26.4	(17.4)
NAV <sup>a</sup>	7.1	(5.1)	23.4	33.0	(15.4)
MSCI Emerging Markets	2.1	(1.5)	26.6	31.3	(16.8)

Total return; NAV to NAV, gross income reinvested, GBP. Share price total return is on a mid-to-mid basis.

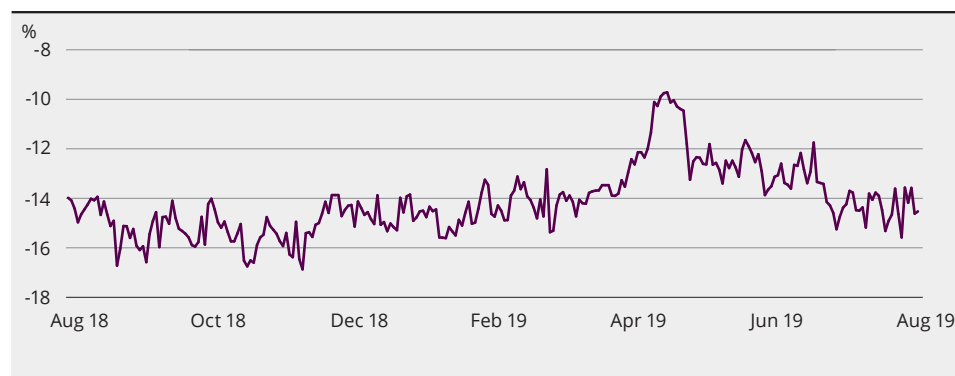
Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value.

<sup>a</sup> NAV Performance is adjusted for impact of subscription shares.

Source: Aberdeen Asset Managers Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

### 1 Year Premium/Discount Chart (%)



### Morningstar Rating™



<sup>®</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 holdings (%)

Neuberger Berman - China Equity Fund	9.8
Schroder Taiwan Equity Fund	8.2
Schroder AsiaPacific Fund	6.8
Brown Advisory Latin American Fund	6.0
Weiss Korea Opportunity Fund	5.9
Fidelity China Special Situations	5.4
Avaron Emerging Europe Fund	4.5
DGC QIC Equity Fund	4.5
Genesis Emerging Markets	4.3
JP Morgan Emerging IT	3.6
<b>Total</b>	<b>59.0</b>

### Asset allocation (%)

	Fund	Benchmark
<b>Asia</b>	<b>66.2</b>	<b>72.0</b>
China	29.0	32.3
Taiwan	11.0	11.2
Korea	10.4	11.5
India	6.7	8.7
Thailand	3.5	3.0
Indonesia	2.9	2.2
Singapore	1.5	-
Philippines	0.4	1.1
Vietnam	0.4	-
Malaysia	0.1	2.1
Other	0.2	-
<b>EMEA</b>	<b>22.7</b>	<b>16.2</b>
Russia	6.7	3.9
Romania	3.3	-
Saudi Arabia	2.9	2.6
Egypt	1.1	0.2
Poland	1.1	1.0
UAE	1.0	0.8
South Africa	0.9	5.4
Kenya	0.7	-
Qatar	0.6	1.0
Turkey	0.6	0.5
Czech Rep	0.4	0.1
Greece	0.1	0.3
Hungary	0.1	0.3
Other	3.5	-
<b>Latin America</b>	<b>12.4</b>	<b>11.9</b>
Brazil	6.7	7.5
Colombia	1.9	0.4
Mexico	1.3	2.5
Peru	1.2	0.4
Argentina	0.9	0.2
Chile	0.4	0.9
Non-specified	0.7	-
Cash in underlying	4.2	-
Portfolio Cash	(6.2)	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

All sources (unless indicated):

Aberdeen Asset Managers Limited 31 August 2019.

Private investors 0808 500 0040

Institutional investors

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<sup>a</sup> NAV performance is adjusted for the impact of subscription shares.

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### Fund managers' report

#### Market review

August saw sentiment deteriorate in the face of growing concerns over the health of the global economy and an escalation in the US-China trade war. As investors took fright, emerging market equities and currencies weakened and the MSCI Emerging Markets Index finished the month 4.4% lower.

The Chinese stock market declined by 3.7% as further tariffs were announced by both China and the US, while a 3.8% depreciation in the yuan against the US dollar, the largest monthly decline since 1984, led the US to label the country a "currency manipulator". Unrest on the streets of Hong Kong added to the negativity. Korean stocks fell by 4.5% against a backdrop of weak corporate earnings, fears over trade and a worsening of relations with Japan.

In the Europe, Middle East and Africa region, Turkey and South Africa endured a torrid month, losing 10.2% and 8.4% respectively in the face of investor outflows and currency weakness. The price of oil declined sharply with Brent crude falling 6.9% in sterling terms over the month which contributed to market declines in Russia (-4.8%) and Saudi Arabia (-7.9%).

Latin America offered no respite as Brazilian equities declined 8.7% against a backdrop of currency weakness and foreign investor outflows. Elsewhere in the region, Argentina suffered a catastrophic loss of 50.1% following the unexpected defeat of President Macri in the primary elections, raising concerns about a potential sovereign default.

#### Performance commentary

Aberdeen Emerging Markets Investment Company's net asset value total return was -5.4%. The company underperformed the benchmark index by 1.0% which was largely a consequence of discount widening across the closed end funds in the portfolio and fund selection in Latin America.

The Company's share price total return was -5.5% as the discount to NAV at which shares trade widened from 14.4% to 14.6%.

#### Portfolio activity

During August we added to existing portfolio positions in closed end funds trading at what we considered to be attractive discounts to net asset value. Such purchases included JP Morgan Indian Investment Trust, Aberdeen Asian Income Fund, BlackRock Latin American Investment Trust and Gulf Investment Fund. These purchases were funded from sales of open ended funds and a global emerging markets exchange traded fund.

#### Outlook

The environment facing emerging markets is challenging at present with investors concerned about global growth and trade. Both issues are likely to linger and may well contribute to bouts of volatility over the remainder of the year. On a more positive note, underlying company fundamentals are good and the concerns are adequately reflected in valuations.

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

Total number of investments	33
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#### Fund risk statistics

	5 Years
Return (Fund) p.a. as at 31/08/2019	7.15
Return (Benchmark) p.a. as at 31/08/2019	6.81
Annualised Tracking Error	3.76
Alpha	0.10
Beta	0.90
Correlation	0.97

Source: Aberdeen Asset Management, BPSS & Datastream, Basis: Total Return, Net of Fees, GBP.

#### Key information

##### Calendar

Year end	October
Accounts published	January
Annual General Meeting	April
Dividend paid	Quarterly
Launch date	21 Jun 1998 (redomiciled on 6 Nov 2009)
Fund manager	Andrew Lister and Bernard Moody
Annual management fee	0.8% of NAV
Ongoing charges <sup>c</sup>	1.02%
Net assets	£308.5m
Premium/(Discount)	(14.6)%
Yield <sup>d</sup>	3.7%
Net Gearing <sup>e</sup>	4.3%

#### AIFMD Leverage Limits

Gross Notional	1.15x
Commitment	1.15x

#### Capital structure

Ordinary shares	45,965,159
Treasury shares	8,653,348

#### Trading details

Reuters/Epic/ Bloomberg code	AEMC
ISIN code	GG00B45L2K95
Sedol code	B45L2K9
Stockbroker	Shore Capital

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 October 2018. 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 Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

<sup>d</sup> Calculated using the Company's historic net dividends and month end share price.

<sup>e</sup> Net gearing is defined as a percentage, with net debt (total debt less cash/cash equivalents) divided by shareholders' funds.

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[www.aberdeenemergingmarkets.co.uk](http://www.aberdeenemergingmarkets.co.uk)

## Important information

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

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

- The value of investments and the income from them can fall 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.
- Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Sub-fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements. This may result in gains or losses that are greater than the original amount invested.
- This Fund may invest through non-regulated markets which are subject to increased risk relating to ownership and custody of investments.
- This Fund 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 Fund.

### 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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