

# Aberdeen Frontier Markets Investment Company Limited

A UK-listed closed-end fund, offering diversified access  
to up-and-coming frontier markets



# Contents

---

## Overview

Financial Highlights	3
Chairman's Statement	5
Investment Manager's Report	7
Top 20 Investments	11

---

## Governance

Directors' Report	12
Statement of Directors' Responsibilities	18
Corporate Governance	19
Report of the Audit and Risk Committee	23
Directors' Remuneration Report	24
Depositary Report	25
Independent Auditor's Report	26

---

## Financial Statements

Statement of Comprehensive Income	30
Statement of Financial Position	31
Statement of Changes in Equity	32
Statement of Cash Flow	33
Notes to the Financial Statements	34

---

## Corporate Information

Alternative Performance Measures	44
Information about the Investment Manager	45
The Investment Process	46
Investor Information	47
AIFMD Disclosures (unaudited)	50
Notice of Annual General Meeting	51
Form of Proxy	53
Glossary of Terms and Definitions	54
Directors, Manager and Advisers	inside back cover



### Visit our Website

To find out more about Aberdeen Frontier Markets Investment Company Limited, please visit [aberdeenfrontiermarkets.co.uk](http://aberdeenfrontiermarkets.co.uk)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all your Ordinary Shares in Aberdeen Frontier Markets Investment Company Limited, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Overview  
**Financial Highlights**  
 For the year ended 30 June 2019

Net Asset Value ('NAV') per Ordinary Share total return  
 (in US dollar terms)<sup>1,3</sup>

**-14.0%**

2018 -10.3%  
 Ordinary Share price total return (in US dollar terms)<sup>2,3</sup>

**-14.4%**

2018 -12.0%  
 Net Assets (in US dollars)

**\$48.6 million**

2018 \$68.4 million

NAV per Ordinary Share (in US dollars)

**\$0.6760**

2018 \$0.8090  
 NAV per Ordinary Share (in GB pounds)

**£0.5325**

2018 £0.6127  
 Ordinary Share price (in GB pounds)

**£0.4810**

2018 £0.5575

<sup>1</sup> Total return, NAV to NAV, gross income reinvested.  
<sup>2</sup> Share price total return is on a mid-to-mid basis.  
<sup>3</sup> These are Alternative Performance Measures ('APMs').

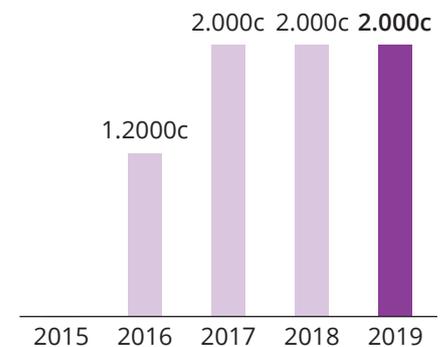
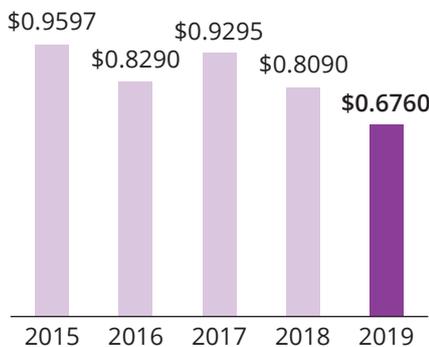
**Alternative Performance Measures ('APMs')**

The disclosures as indicated in footnote 3 above are considered to represent the Company's APMs. In addition to the above APMs, other performance measures have been used by the Company to assess its performance. Definitions of these APMs together with how these measures have been calculated can be found on page 44.

**NAV per share**  
 (in US dollars)  
 at 30 June

**Share price**  
 (in GB Pounds)  
 at 30 June

**Dividend**  
 (in US dollars)  
 for year to 30 June



## Overview

# Financial Highlights continued

---

### Investment Objective

The investment objective of the Company is to generate long-term capital growth primarily from investment in equity and equity related securities of companies listed in, or operating in, Frontier Markets.

Frontier Market countries may include constituents of the MSCI Frontier Markets Index or additional countries that the Investment Manager deems to be, or displays similar characteristics to, Frontier Market countries.

### Investment Policy

The Company's investment policy is included on page 12 and 13.

### Reference Benchmark

MSCI Frontier Markets Index.

### Management

The Company's Manager is Aberdeen Standard Fund Managers Limited ("ASFML", the "AIFM" or the "Manager") which has delegated the investment management of the Company to Aberdeen Asset Managers Limited ("AAML" or the "Investment Manager"). Both companies are wholly owned subsidiaries of Standard Life Aberdeen plc.

### Financial Calendar

10 December 2019	Annual General Meeting ('AGM') in Guernsey
18 December 2019	Final dividend payable for year ended 30 June 2019
February 2020	Announcement of Half-Yearly Financial Report for the six months ending 31 December 2019
June 2020	Interim dividend payable for year ending 30 June 2020
30 June 2020	Discount control policy performance measurement period ends
September 2020	Announcement of Annual Report and Accounts for the year ending 30 June 2020

## Overview

# Chairman's Statement

---

On behalf of your Board, I present to you the Annual Report for Aberdeen Frontier Markets Investment Company Limited ('AFMC' or the 'Company') for the year ended 30 June 2019.

### Performance

During the year under review the Company's net asset value ("NAV") per Ordinary share and share price total returns were -14.0% and -14.4%, respectively. This compared to a gain of 5.2% for the MSCI Frontier Markets Index (the 'Index' or the 'Reference Benchmark'), all figures in US Dollar total return terms. The portfolio's exposure to Pakistan, which is not included in the Index, accounted for a significant part of the Company's underperformance, as the local market fell 36.7% in dollar terms with government policy taking months to define and the negotiations with the International Monetary Fund taking almost a year to conclude.

The year ended 30 June 2019 was particularly disappointing as our country weightings in the second half detracted from performance and added to initial market declines in the first half of the year. The underweight position to stocks in Kuwait and Bahrain where the Investment Manager continued to struggle to find fair valued investment opportunities, a feature noted in the Half-Yearly Report, continued to hold back relative performance over the balance of the year. In addition, deteriorating relations over trade and tariffs between the US and China continued to form a difficult backdrop for all markets. The anticipated rise in frontier markets, offering a defensive asset class if global equities lost their appeal given their lack of correlation, was only witnessed briefly in May which proved insufficient to reverse the overall trend.

The Investment Manager's report on pages 7 to 10 provides additional detail on the performance over the year and future portfolio positioning. The chart on page 10 shows the truly diversified nature of the Company's portfolio with 50 investments spread across 23 countries.

### Tender Offer, Discount and Share Buybacks

Further to the tender offer announced on 20 September 2018, the Company bought back and cancelled 12,689,991 Ordinary shares on 19 October 2018 resulting in issued Ordinary share capital of 71,910,117 Ordinary shares with voting rights and an additional 1,302,450 Ordinary shares held in treasury, which was unchanged at 30 June 2019. No further shares have been bought back by the Company between 1 July 2019 and the latest practicable date prior to the publication of this Report.

The discount to NAV at which the Company's Ordinary shares traded widened slightly from 9.0% to 9.7% over the year. The Board keeps the Ordinary share price discount to NAV under constant review and the Company may purchase its own shares through the market for cash where the Directors believe that such purchases will enhance shareholder value and are likely to assist in narrowing the discount to NAV at which the Ordinary shares may trade.

### Discount Control Policy

At an Extraordinary General Meeting held on 17 October 2018, shareholders approved a new discount control policy whereby shareholders will be given the opportunity to fully exit their investment in the Company for cash at the then prevailing NAV less applicable direct costs, including any realisation costs of underlying investments, in the event that the Share Price Total Return (in sterling terms) for the two year period from 1 July 2018 to 30 June 2020 fails to exceed the portfolio's Reference Benchmark, being the MSCI Frontier Markets Index (in sterling terms).

30 June 2019 marked the half-way point of the Company's two year measurement period at which point the Company's Ordinary share price total return was -10.6% against a gain of 11.5% for the Reference Benchmark (in sterling terms). Although it is clear that the Company will require to substantially outperform the Index in the year to 30 June 2020 in order to avoid further corporate activity, the Manager believes that the underlying portfolio fundamentals support the case for the Company's continuing investment strategy. The Manager's approach is bottom up, conviction based and Benchmark agnostic, resulting in geographic allocations significantly different to those of the MSCI Frontier Markets Index, a key driver of the performance differential. While the Board continues to monitor very closely the total return for the Company's Ordinary share price, and the Index (both in sterling terms), shareholder interests remain at the forefront of their decision making. Accordingly, the Board will continue to gather feedback from shareholders during the remainder of this performance measurement period with a view to acting in the best interests of all shareholders.

### Ongoing Charges Ratio

The Board is very mindful of the overall size of the Company, the costs incurred in managing such an investment company and the impact that any share buybacks could have. I was pleased to report at this time last year that agreement had been secured with the Manager to seek to limit the Company's ongoing charges ratio ("OCR") to no more than 2% calculated annually as at 30 June.

This arrangement is still in place to the extent that the Manager will rebate an amount of its fee to the Company with the objective of bringing the OCR down to 2% in relation to any annual period. However, this remains capped such that a rebate should not represent more than one third of the annual management fee payable for the relevant year in question.

## Dividend

A final dividend for the year ended 30 June 2018 of 1 cent (0.761615p pence) was paid to Ordinary shareholders on 19 December 2018.

In relation to the year ended 30 June 2019, an interim dividend of 1 cent (0.76746953 pence) per share was paid to Ordinary shareholders on 28 June 2019 with a record date of 7 June 2019 and an ex-dividend date of 6 June 2019.

The Board is recommending to shareholders the payment of a final dividend for the year end of 1 cent per Ordinary share. If approved by shareholders at the Annual General Meeting to be held on 10 December 2019, this dividend will be paid on 18 December 2019 to those shareholders who are on the register on 15 November 2019. The ex-dividend date will be 14 November 2019. The final dividend will be paid in sterling and the sterling dividend rate will be announced in due course.

The Board considers that a sustainable dividend forms an important part of shareholders' overall return and intends to continue to pay semi-annual dividends in line with previous guidance.

## Aberdeen Standard Investments Savings Plans

Aberdeen Standard Investments has a long history in managing closed-ended funds and provides a wealth of experience and a wide infrastructure towards their management and promotion. Investors may access low cost investment in the Company through Aberdeen Standard Investment's Share Plan, Investment Trust ISA and Investment Plan for Children which provide full voting and other rights of share ownership.

Further details may be found via our website at: [aberdeenfrontiermarkets.co.uk](http://aberdeenfrontiermarkets.co.uk).

## Future Prospects

In periods of market volatility, it is helpful for investors to be able to look through short term relative performance to the extensive due diligence undertaken by the Manager at the stock level, driven by their focus on intrinsic value rather than a pursuit of either fads or Index-based returns. The Manager considers that the dislocated valuations and mispricing across the region, including in Kuwait in particular, are deserving of rebuttal. With macro imbalances in Pakistan now being addressed and valuations at multi-year lows, a market recovery seems ever likely which could quickly reverse performance.

The Board notes the Investment Manager's optimism around the near term outlook for frontier markets. Further rate cuts by central banks, expected to follow the lead taken by the now more dovish US Federal Reserve in late July 2019, should cause international investors to again consider the opportunities available through investment in frontier market equities.

The Board recognises that there exists a level of material uncertainty as to whether the performance of the Company will exceed the performance of the portfolio's Reference Benchmark. In such circumstances the Company's discount control policy will result in an exit opportunity being presented to shareholders. This in turn could introduce an element of uncertainty over the continuation of the Company. As described above, the Board will continue to monitor this situation closely.

At the portfolio level, our Investment Manager remains committed to its quality emphasis and continues to consider stocks and countries which are both included in and sometimes outside of the Index, albeit continue to display characteristics of frontier market countries. Direct engagement with investee companies through regular country visits forms a strong element of the investment team's fundamental analysis. The strategy continues to invest across a diversified range of quality companies with sustainable growth characteristics, agnostic of the geographic concentrations of the Reference Benchmark.

I continue to value the input of my colleagues on the Board and thank them for their diligence and professionalism, the Investment Manager for its continued efforts and importantly our shareholders for their continued support and belief in the long term future prospects for frontier markets and our relative portfolio positioning.

**John Whittle**  
Chairman  
25 September 2019

# Overview

## Investment Manager's Report

---

### Market Environment

The twelve months to 30 June 2019 was another challenging period for frontier market equities. While the MSCI Frontier Markets Index achieved a gain of 5.2% during the period, this gain was largely attributable to surging Gulf markets, namely those of Kuwait and Bahrain, which rose 34.2% and 36.6% respectively. Without their contribution, the Index would have registered a decline of 4.1% (Source, Aberdeen Standard Investments, Morningstar & Lipper).

Indeed, outside of the Gulf and Vietnam, most other frontier markets displayed continued weak momentum, which we believe is primarily due to ongoing negative foreign fund flows and declining investor activity, specifically falling average daily traded volume ('ADTV'). Figures from EPFR Global show that 2018 witnessed circa US\$1,600 million of net outflows from frontier market mutual funds, while the five months to the end of May 2019 has shown a further US\$900m in net outflows. Many smaller frontier markets have seen declines in ADTVs of 50% or more since 2014 in US dollar terms, meanwhile smaller emerging markets, such as Egypt and Pakistan, which fall within our definition of investable markets for the Company, have suffered worse, with declines of 70% plus. In terms of valuations, the Index trades on a forward price-to-earnings ratio of just 9.6x if one excludes Kuwait and Vietnam from the calculation, 10% below its five-year average.

A variety of global concerns continue to weigh on investor appetite for more risky asset classes, not least the poor state of US-China relations in trade and other strategic areas. But appetite for frontier markets has remained elusive even as the Federal Reserve (the Fed) has shifted to a more accommodative monetary policy stance this year, which is somewhat surprising. The softening of the monetary policy outlook might have been expected to weigh on the US dollar and provide frontier economies with the flexibility to reduce local rates, not to mention trigger an uptick in foreign investor interest, but this has not played out to any meaningful extent.

Some sceptics point to late-cycle risks to momentum in respect of the world's largest economies, above all that of the US, as cause for ambivalence towards riskier assets. Others contend that this more accommodative monetary stance has underwritten a further late-cycle advance of US equities, which remains the preferred equity exposure for most global portfolios. Whilst recognising such unknowns exist, the fact that most frontier markets are being given such a wide berth seemingly regardless of events in developed economies exemplifies just how out-of-favour this asset class has been.

We repeat the point made previously that the low correlation of frontier markets with global equities, as well as relatively weak trade linkages with the developed world, should imbue the asset class with certain defensive qualities should global equity markets actually lose their footing, especially given the very low valuations that most of our markets now stand at. The month of May was a case in point as global equity markets briefly tumbled on growth concerns, whilst most frontier markets performed somewhat better. Early August has again seen such volatility amid global concerns over China's attempt to counter further US tariff hikes with a weakening of its currency.

Turning to some specific markets, Vietnam remains a high-conviction exposure for the portfolio (with a weighting of 22.6% at the end of the year) given excellent corporate earnings delivery within the backdrop of a robust economy, which has been underpinned by rapid investment-led industrialisation. Offshoring from China seems to be a secular prospect given the continuing US-China trade tensions as well as Chinese wage inflation, but there is also a risk that the US turns its attention towards Vietnam's own large trade surplus, which is the US's fifth-largest trade deficit relationship. The portfolio's two largest investments in Vietnam, **Mobile World Corp** (5.7% of net assets) and **FPT Corp** (5.8%) have continued to show strong operational numbers. Mobile World Corp delivered 16% growth in revenue in the first half of the current year, driven by robust sales figures from its DMX home appliances retail format, while net profit rose 38% on scale benefits and improved profitability at its supermarkets division. As at the end of June the stock was trading on 10.2x forward earnings with a PEG ratio of 0.5x. FPT also delivered stellar operational results with first half 2019 net profit expansion of 29%, primarily driven by its software outsourcing division expanding into international markets.

Elsewhere, the Nigerian economy continues to struggle within a framework of government policy continuity that is largely absent of reforms that will meaningfully address structural constraints to growth. Tight monetary policy and a focus on maintaining the naira peg to the dollar has provided an aura of stability, but at the cost of growth, with real GDP expected to advance no more than 2.0% this year, which is a lower rate than the expansion of the population. Still, despite the uninspiring economic backdrop, our holdings have delivered reasonable earnings progression. Our two core holdings, **Zenith Bank** and **Guaranty Bank**, achieved 7% and 10% earnings growth in the first quarter, respectively, despite muted corporate loan activity. Zenith Bank, with a capital adequacy ratio of 22% and a dividend yield of 14%, is a solid value play with a strong recurring yield; meanwhile Guaranty Bank maintains an exceptional return-on-equity of over 30%, albeit with a slightly lower dividend yield of 8%.

In Pakistan, which remains within our defined investment universe albeit not in the benchmark, the Pakistan Tehreek-e-Insaf (PTI) government led by Imran Khan took several months to define key policies after its election, and almost a year to reach an agreement with the International Monetary Fund (IMF). The government was cajoled by the IMF to concede on several important areas of economic policy, including allowing a major adjustment of the currency, maintaining a suitably positive real interest rate and devising a strategy to reign in the country's fiscal deficit. These remedies were never avoidable, but the quantum of adjustment ballooned with the extended delay in implementation. Facing the prospect of a 12-24 month engineered slowdown, the local equity market retreated to decade lows. By the end of June the Karachi All Share Index traded on 6.4x the current year's earnings, despite depressed corporate profits. With a now inexpensive currency and credible reform effort in place, we believe the worst is behind the market.

Egypt, in the third year of its IMF-supported programme, saw real GDP growth accelerate to 5.7%, a solid number that is expected to be maintained in the medium term given falling inflation, lower interest rates, recovering tourism, returning consumer confidence and what is expected to be a recovery in capital investment. Our holdings in Egypt have made solid progress over the past twelve months, delivering high double digit earnings growth, and this pace should be maintained in 2019.

Indeed, most of our markets outside Argentina and Pakistan are enjoying stable or accelerating economic activity at this juncture, which is in contrast to a peaking economic cycle in the developed world. The outlook for developed economies appears more fragile than it has been for some time in many ways, but given our region's relatively weak linkages with the global economy, idiosyncratic drivers such as the timing of various IMF supported programmes and moderating interest rate expectations, we see reasons to remain bullish about the prospects for a frontier market recovery over the coming quarters.

## Performance

While the portfolio's NAV held broadly flat during the second half of the year, the first half of the year witnessed a 14.6% decline, the reasons for which were outlined in the first Half Yearly Report, resulting in an overall decline in NAV for the year under review of 14.0% in US Dollar terms. This compared to a benchmark return of 5.2%.

As discussed above, Gulf markets were a key driver of the benchmark's return over the year, without which the Index would have been negative.

The primary driver of the portfolio's poor relative performance was its off-benchmark exposure to Pakistan, whose market retreated 36.7% in US dollar terms, largely due to the devaluation of the rupee. However, since the portfolio's holdings were primarily in less liquid small and mid-cap stocks in domestic-orientated companies, the drawdown was more costly still. The portfolio today owns a basket of six extremely undervalued yet very much established Pakistani corporates and we have every faith that these companies will witness a strong recovery in due course, once liquidity conditions normalise. In the meantime, all continue to pay dividends, ranging between 2.5% and 11.5%.

## Aberdeen Frontier Markets Investment Company cumulative performance in USD for periods ended 30 June 2019

	6 months %	1 year %	3 years %	5 years %
Share Price	+2.8	-14.4	-12.1	-34.2
NAV	+0.6	-14.0	-12.0	-32.5
MSCI Frontier Markets	+12.1	+5.2	+28.4	-2.0

### Notes

Total return; NAV to NAV, gross income reinvested, USD.

Share price total return is on a mid-to-mid basis.

Dividends are reinvested as at the ex-dividend date.

NAV returns based on NAVs with debt valued at fair value.

Source: Aberdeen Standard Investments, Morningstar & Lipper

## Portfolio Positioning

As at the end of June 2019 the portfolio had 50 investments, providing exposure to more than 20 frontier market economies. As a comparator, the MSCI Frontier Markets Index captures large and mid-cap representation across 28 countries with 95 constituents.

During the year under review the Company's exposure to Frontier Asia was broadly stable at 42.9%. A reduction in exposure to Sri Lanka was offset by an increase to Vietnam.

The Company initiated four new investments during the second half of the year: **Arabian Centres Co**, a Saudi Arabian shopping mall developer and operator; **NLB Group**, a banking group with operations across the former Yugoslavia; **Grana y Montero**, an infrastructure company operating in the Andean region; as well as **Adecoagro**, an Argentinian-headquartered agricultural company.

To fund these purchases, the portfolio exited **BAT Bangladesh**, **East African Breweries** in Kenya, as well as **Globant** and **Pampa Energia** in Argentina; the portfolio also reduced exposure to **BBVA Frances** in Argentina, and **John Keells** in Sri Lanka.

---

## Market Outlook

While news flow continues to be mixed and liquidity conditions an ongoing challenge, we see reason to be optimistic about the near future. Firstly, from an economic as well as political point of view, many of our core markets continue to progress various structural reforms, several under the direct auspices of the IMF, which is very encouraging. This provides an element of policy clarity to the cyclical recovery that is underway across a number of our markets. Pakistan is the latest to join this group, which bodes well for the future of that economy. Secondly, while foreign investor participation in most of our markets has fallen to extremely low levels, such a lack of engagement we believe will revert in due course and in the meantime valuations are at highly attractive levels in absolute terms, underpinned by a still reasonable corporate earnings outlook.

As discussed above, uncertainty with regard to the outlook of developed economies, matched by increasing dovish tones from central banks, could provide a more conducive environment for frontier markets as investors seek uncorrelated and absolute return opportunities. In time we expect the frontier region to be rediscovered as global investors recognise the attractiveness of the asset class's idiosyncratic drivers, cyclical positioning and attractively valued markets.

The portfolio as a whole is expected to deliver 12.3% earnings growth in local currency terms in 2019 according to consensus estimates, with a blended return-on-equity of 25.7% and a dividend yield of 4.1%, which is supportive of the Company's own dividend policy.

As ever, the portfolio retains its clear quality bias, which is reflected in the portfolio's statistics: a high blended return-on-equity, low corporate leverage and double digit corporate earnings growth. In all, we believe these fundamentals provide cause to be optimistic about the coming year.

The management style of the portfolio is benchmark aware but importantly not benchmark driven. In this respect we look across a wide array of countries with frontier market characteristics, including outside of the Index, seeking out what we believe to be quality companies to invest in. This diversified portfolio of companies is managed with a mind to delivering strong performance over the medium to longer term at a low level of volatility. That said, there will be divergences away from the benchmark, as well as in relative performance. We remain committed to our investment approach, which entails rigorous interaction and engagement with companies with regular on the ground visits. This allows us to identify those with solid long-term prospects and progressive management teams that should negotiate economic cycles and safeguard shareholder interests.

**Aberdeen Standard Fund Managers Limited**  
25 September 2019

# Overview

## Investment Manager's Report continued

### Relative country positions

Country	Fund %	Benchmark %	Difference %
<b>Africa &amp; Middle East</b>	29.3	68.2	-38.9
Bahrain	-	5.5	-5.5
Egypt	5.5	-	5.5
Ghana	0.8	-	0.8
Ivory Coast	-	0.1	-0.1
Jordan	-	1.1	-1.1
Kenya	6.1	5.9	0.2
Kuwait	2.8	31.4	-28.6
Lebanon	0.6	2.6	-2.0
Mauritius	-	2.2	-2.2
Morocco	-	10.1	-10.1
Nigeria	8.0	6.5	1.5
Oman	1.4	1.4	-
Saudi Arabia	1.0	-	1.0
Senegal	-	0.7	-0.7
South Africa	1.9	-	1.9
Tanzania	1.2	-	1.2
Tunisia	-	0.7	-0.7
<b>Asia</b>	42.9	21.2	21.7
Bangladesh	6.9	2.9	4.0
Myanmar	0.8	-	0.8
Pakistan	6.9	-	6.9
Sri Lanka	3.7	0.7	3.0
Thailand	1.6	-	1.6
Vietnam	23.0	17.6	5.4
<b>Europe ex UK</b>	12.4	10.6	1.8
Croatia	-	1.5	-1.5
Estonia	-	0.5	-0.5
Georgia	4.3	-	4.3
Kazakhstan	-	1.4	-1.4
Lithuania	-	0.2	-0.2
Romania	6.0	4.9	1.1
Serbia	-	0.2	-0.2
Slovenia	2.1	1.9	0.2
<b>UK*</b>	2.8	-	2.8
<b>Latin America</b>	8.6	-	8.6
Argentina	4.3	-	4.3
Peru	1.3	-	1.3
Panama	3.0	-	3.0
<b>Cash</b>	4.0	-	4.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>-</b>

At 30 June 2019, the benchmark index had an adjusted market cap of US\$102.4bn and was composed of 95 companies across 28 countries (source MSCI).

\* ASA International Group UK Listed.

## Overview

# Top 20 Investments

As at 30 June 2019

Company	Country	Value \$'000	Percentage of net assets (%)
FPT Corporation	Vietnam	2,838	5.8
Mobile World Investment Corporation	Vietnam	2,752	5.7
Square Pharmaceuticals	Bangladesh	1,969	4.1
Safaricom	Kenya	1,537	3.2
Zenith Bank	Nigeria	1,486	3.1
Copa Holdings	Panama	1,453	3.0
Masan Group Corporation	Vietnam	1,411	2.9
Guaranty Trust Bank	Nigeria	1,389	2.9
Equity Group Holdings	Kenya	1,385	2.8
Grameenphone	Bangladesh	1,361	2.8
Humansoft Holding Company	Kuwait	1,341	2.8
ASA International Group	United Kingdom	1,325	2.7
Purcari Wineries	Romania	1,314	2.7
BGEO	Georgia	1,278	2.6
Juhayna Food Industries	Egypt	1,102	2.3
IRSA Propiedades	Argentina	1,069	2.2
Sphera Franchise	Romania	1,051	2.2
Nova Ljubljanska	Slovenia	987	2.0
Saigon Beer Alcohol Beverage	Vietnam	924	1.9
MTN Group Ltd	South Africa	904	1.9
<b>Top twenty holdings</b>		<b>28,876</b>	<b>59.6</b>
Other holdings		17,312	35.4
<b>Total holdings</b>		<b>46,188</b>	<b>95.0</b>
Cash and other net assets		2,426	5.0
<b>Net assets</b>		<b>48,614</b>	<b>100.0</b>

# Governance

## Directors' Report

---

The Directors present their report and accounts for the year ended 30 June 2019.

### Business Activities

The Company is a closed-ended investment company incorporated and resident in Guernsey and quoted on the Alternative Investment Market ('AIM') of the London Stock Exchange.

### Results and Dividends

The Company's loss on ordinary activities after taxation for the year was \$9,642,000 (2018: loss of \$8,039,000).

The Company's revenue return on ordinary activities after taxation for the year amounted to a profit of \$984,000 (2018: profit of \$1,016,000).

The Company paid an interim dividend of 1 cent per Ordinary Share (equivalent to 0.76746953 pence per Ordinary Share) on 28 June 2019 in respect of the year ended 30 June 2019.

The Directors propose that, subject to approval at the Company's AGM, a final dividend of 1 cent per share be paid in respect of the year ended 30 June 2019. The dividend will be paid on 18 December 2019 to shareholders on the register at the close of business on 15 November 2019. The ex-dividend date will be 14 November 2019.

### Investment Objective

The investment objective of the Company is to generate long-term capital growth primarily from investment in equity and equity related securities of companies listed in, or operating in, Frontier Markets.

Frontier Market countries may include constituents of the MSCI Frontier Markets Index or additional countries that the Investment Manager deems to be, or displays similar characteristics to, Frontier Market countries.

### Investment Policy

The Company will seek to maximise total return and will invest globally in the securities of companies domiciled or listed or quoted in, or exercising the predominant part of their economic activity in, Frontier Markets.

A Frontier Market is defined as:

- any country that is a constituent of the MSCI Frontier Markets Index; or
- any country that in the view of the Manager shares similar characteristics to those of Frontier Markets (such as low per capita GDP, high growth potential or less developed capital markets).

The Manager may also invest in equity securities of companies that are listed or quoted in developed or emerging markets but have significant business exposure in terms of revenues, profits, assets or employees, to Frontier Markets.

No individual listed or quoted company exposure in the portfolio may exceed 10% of the Company's total assets

at the time of investment. The Company may invest in exchange-traded funds provided they are listed on a recognised investment exchange.

In order to achieve the Investment Objective, the Manager selects stocks by fundamental analysis of companies, looking for long-term appreciation from mispriced value or growth. The Manager employs an actively managed bottom-up approach to investing whilst always having due regard to the requirement for portfolio diversification across sectors and countries. Risk is spread through investing in a number of holdings and, typically, it is expected that the Company will invest in between 30 to 80 holdings.

The Company has no set maximum or minimum exposures for any geographical regions or sectors and will achieve an appropriate spread of risk by investing in a diversified portfolio of securities.

Where possible, investment will generally be made directly in the stock markets of Frontier Markets with a medium to long term investment horizon. Where the Manager determines appropriate, investment may be made in Frontier Markets through collective investment schemes.

No more than 10% of the Company's total assets may be invested in other listed closed ended investment companies, provided that this restriction does not apply to investments in any such investment companies which themselves have published investment policies to invest no more than 15% of their total assets in other closed-ended investment companies. Additionally, the Company will itself not invest more than 15% of its total assets in other investment companies or investment trusts which are listed or quoted.

The Company may, at the Manager's discretion, hold cash or cash equivalents to protect shareholders' capital although it is envisaged that the value of these will not generally exceed 10% of Net Asset Value.

It is intended that the Company will generally be invested in equity investments. However, the Manager may invest in equity related investments such as convertibles or fixed interest securities where there are perceived advantages in doing so.

The Company may use gearing, in the form of borrowings and/or derivatives, to enhance returns over the long term. The borrowings may be in sterling or other currencies. The Articles of Incorporation contain a borrowing limit equal to 10% of its Net Assets (calculated at the time of draw down). Total gearing, including any net derivative exposure, would not normally be expected to result in a net economic equity exposure in excess of 110%. Furthermore, the Company may use an overdraft and/or other short-term borrowing facilities to meet its working capital needs, including for the payment of any expenses or fees. The same facility may be used to take advantage of favourable investment opportunities pending the payment of proceeds from the sale of investments.

Due to national and/or international regulation, excessive operational risk, prohibitive costs and/or the time period involved in establishing trading and custody accounts in certain of the Company's target Frontier Markets, the Company may temporarily, or, on an on-going basis, be unable

to invest (whether directly or through nominees) in certain of its target Frontier Markets or, in the opinion of the Company and/or the Manager, it may not be advisable to do so. In such circumstances, the Company may gain economic exposure to such target Frontier Markets by investing indirectly through derivatives (including contracts for difference) and/or structured financial instruments, for example P-Notes. Save as provided above, there is no restriction on the Company investing in derivatives and/or structured financial instruments in such circumstances. If the Company invests in derivatives and/or structured financial instruments for investment purposes (other than to gain access to a target Frontier Market as described above) and/or for efficient portfolio management purposes it shall only hold up to, in aggregate, 10% of its Gross Assets in derivatives and/or structured financial instruments for such purposes.

No material change will be made to the Investment Policy without shareholder approval.

### Investment Report and Outlook

The Chairman's Statement and Investment Manager's Report on pages 5 and 7 incorporate a review of the highlights during the year.

### Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The principal risks associated with an investment in the Company's shares are published monthly on the Company's factsheet or they can be found in the pre-investment disclosure document published by the Manager, both of which are on the Company's website. The Board reviews the risks and uncertainties faced by the Company in the form of a risk matrix and heat map which is reviewed regularly by the Audit and Risk Committee. The Board has identified the principal risks and uncertainties facing the Company at the current time in the table below together with a description of the mitigating actions taken by the Board.

Further information on interest rate risk, foreign currency risk and other price risk, liquidity risk, credit risk, gearing risk and how these risks are managed, is contained in note 15 to the financial statements on pages 40 to 42.

Description	Mitigating Action
<p><b>Investment strategy and objectives</b> – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for Ordinary Shares and a widening discount at which the Ordinary Shares trade relative to their NAV.</p>	<p>The Board keeps the investment objective and policy as well as the level of discount at which the Company's Ordinary Shares trade under review and the Board is updated at each Board meeting on the makeup of, and any movements in, the shareholder register.</p>
<p><b>Investment portfolio, investment management</b> – investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives.</p>	<p>The Board sets, and monitors, its investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines.</p>
<p><b>Financial and regulatory</b> – the financial risks associated with the portfolio could result in losses to the Company. In addition, failure to comply with relevant regulation (including the Companies (Guernsey) Law, the Financial Services and Markets Act, the Alternative Investment Fund Managers Directive, Accounting Standards and the AIM listing rules, disclosure and prospectus rules) may have a negative impact on the Company.</p>	<p>The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are managed by the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 15 to the financial statements. The Board relies upon the Manager to ensure the Company's compliance with applicable regulations and from time to time employs external advisers to advise on specific concerns.</p>

### Key Performance Indicators ('KPIs')

The Company's success in attaining its objectives is measured by reference to the following KPIs:

- **Absolute Performance:** The Board considers the Company's NAV total return figures to be the best indicators of performance over time and these are therefore the main indicators of performance used by the Board.
- **Share Price Performance:** The Board also monitors the price at which the Company's shares trade relative to the reference benchmark on a total return basis over time.
- **Discount to NAV:** The discount relative to the NAV per share represented by the share price is closely monitored by the Board.
- **Gearing:** The Board's aim is to ensure that gearing, if and when deployed, is kept within the Board's guidelines issued to the Manager.
- **Ongoing charges:** The Board regularly monitors the Company's operating costs and their composition with a view to limiting increases wherever possible.

**Description**

**Operational** – the Company is dependent on third parties for the provision of all systems and services (in particular, those of the Manager) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.

**Discount** – factors which affect the discount to NAV at which the Ordinary Shares of the Company trade. These may include the popularity of the investment objective of the Company, the popularity of investment trust shares in general and the ease with which the Company's Ordinary Shares can be traded on the London Stock Exchange.

**Political risk and exchange controls** – investments in less developed markets are subject to a greater degree of political risk than that with which investors might be familiar.

In addition, investments purchased by the Company may be subject, in the future, to exchange controls or withholding taxes. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce both the income received by the Company from its investments and/or the capital value of the affected investments.

**Market risk** – being the risk that the portfolio, managed by the Investment Manager, suffers a fall in its market value which would have an adverse effect on shareholders' funds. The Company's investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of equity securities and there can be no assurance that appreciation in the value of those investments will occur.

The Investment Manager's investment process concentrates on a company's business strategy, management, financial strength, ownership structure as well as corporate governance, with a view to seeking companies that it can invest in for the long term. This quality test means that there may be stocks which the Investment Manager will not invest in due to a perceived lack of transparency or poor corporate governance.

**Liquidity risk** – the Company, and/or its Investment Manager may accumulate investment positions which represent more than normal daily trading volumes which may make it difficult to realise investments quickly.

**Mitigating Action**

The Board receives regular reports from the Manager on internal controls and risk management and receives assurances from its significant service providers. Further details of the internal controls which are in place are set out in the Directors' Report on page 21.

The Board keeps under review the discount and may consider selective buyback of shares where to do so would be in the best interests of shareholders, balanced against reducing the overall size of the Company. Any shares bought back would be either cancelled or held in treasury.

Given the nature of the risks to which the Company's investments are subject, which are those inherently associated with less developed markets, there are limited options available to the Board for mitigating these risks. The Board believes that mitigation is best effected by careful selection of the constituents of the Company's portfolio with high-calibre, financially-sound companies, with good management and excellent growth potential.

Investment in Frontier Markets involves a greater degree of risk than that usually associated with investment in major securities markets. Through regular interaction with the Manager and other commentators, the Board stays up-to-date with the latest political and economic news in these markets.

The Investment Manager seeks to diversify market risk by investing in a wide variety of companies with strong balance sheets and the earnings power to pay increasing dividends. In addition, investments are made across various countries in order to reduce the risk of a single concentrated exposure; at present the Investment Manager may not invest more than 10% of the Company's total assets in any single stock at the time of investment and the Company will invest in between 30 to 80 holdings.

The Investment Manager believes that diversification should be looked at in absolute terms rather than relative to an index. The performance of the portfolio relative to the MSCI Frontier Markets Index and the underlying stock weightings in the portfolio against their index weightings are monitored closely by the Board.

Liquidity risk is not considered to be significant as, whilst liquidity is limited in certain stocks which the Company holds, the majority of the Company's assets comprise readily realisable securities which can be sold to meet funding requirements if necessary.

The Board reviews the liquidity profile of the Company's investment portfolio at each quarterly Board meeting.

---

## Market Information

The NAV per share is calculated daily and published through a regulatory information service.

## Ordinary Shares in Issue

At the year end the Company had 71,910,117 (2018: 84,600,108) Ordinary Shares in issue.

## Tender Offer (October 2018)

On 17 October 2018, the Company received valid tenders for 12,689,991 Ordinary Shares.

Following the implementation of the Tender Offer, the Company has 73,212,617 Ordinary Shares in issue (including 1,302,500 Shares held in treasury and for which the exercise of voting rights are suspended). The total number of Ordinary Shares with voting rights in the Company is 71,910,117 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company.

The total value of validly tendered Ordinary Shares in the period was \$8,745,000. The distribution to shareholders who had validly tendered shares took place during the week commencing 29 October 2018.

## Purchases of Own Shares

There were no Ordinary Shares re-purchased during the year (2018: 852,500), to be held in treasury.

The Company's present authority to make market purchases of its own Ordinary Shares will expire at the conclusion of the forthcoming AGM. A renewal of this authority will be sought from shareholders at each AGM of the Company. The timing of any purchase will be decided by the Board. Any shares bought back by the Company will either be cancelled, or if the Directors so determine, held in treasury (and may be re-sold). Purchases of own shares will only be made at a price representing a discount to NAV per share.

The Directors recommend that the Company is granted authority to purchase up to a maximum of 10,779,326 Ordinary Shares (subject to a maximum of 14.99% of the Ordinary Shares in issue at the date of the AGM). A resolution to this effect will be put to the AGM.

## Further Share Issues

A resolution will be put forward at the AGM on 10 December 2019 authorising Directors to allot and issue up to 3,595,505 Ordinary Shares of no par value.

Unless authorised by shareholders, the Company will not issue further shares or re-sell shares out of treasury for cash at a price below the prevailing NAV per share unless they are first offered pro rata to existing shareholders.

A further resolution will be proposed as a special resolution to provide the Directors with the authority to disapply pre-emption rights in respect of issuing shares and/or selling shares from treasury under the general authority granted as described above.

## Discount Control Policy

At an Extraordinary General Meeting held on 17 October 2018, shareholders approved a discount management policy whereby shareholders will be given the opportunity to fully exit their investment in the Company for cash at the then prevailing NAV less applicable direct costs, including any realisation costs of underlying investments, in the event that the Share Price Total Return (in sterling terms) for the two year period from 1 July 2018 to 30 June 2020 fails to exceed the portfolio's reference benchmark, being the MSCI Frontier Markets Index (in sterling terms).

The Board also intends to seek annual renewal of the usual authority to buyback Ordinary Shares in the market and will exercise such authority where it believes it is in the best interests of shareholders to do so.

## Borrowings

Under the Company's Articles of Association, the Board may exercise all the powers of the Company to borrow provided that the aggregate principal amount of all borrowings does not, at the point of drawdown, exceed 10% of the Company's net assets.

The Company did not have a loan facility during the year (2018: nil).

During the year, the Company had a \$600,000 temporary overdraft facility with Northern Trust (Guernsey) Limited ('NT') from 24 May 2019 to 14 June 2019 (2018: the Company had a \$5,000,000 temporary overdraft facility with NT from 17 March 2017 to 6 July 2017).

## Fees Payable to the Investment Manager

With effect from 14 March 2017, the Manager agreed to a fee at the rate of 1.0% per annum of the Company's NAV payable monthly in arrears.

The Manager has agreed to reduce the management fee to the extent necessary in an attempt to ensure that the Company's ongoing charges ratio (as calculated in accordance with the guidance issued by the Association of Investment Companies) does not exceed 2% but such rebate to be capped at a level of one third of the Manager's annual fee.

The Manager is responsible for all fees payable to AAML.

The Management Agreement is terminable by either party giving to the other not less than six months' written notice.

Two thirds of the Management fee is allocated to the capital column of the Statement of Comprehensive Income.

The Company also makes a contribution towards the cost of promotional activities. Further details are disclosed in note 4 to the financial statements.

## Alternative Investment Fund Managers Directive ('AIFMD')

Aberdeen Standard Fund Managers Limited ('ASFML') is the Company's Alternative Investment Fund Manager ('AIFM').

# Governance

## Directors' Report continued

An AIFM must ensure that an annual report for the Company is made available to investors for each financial year, provide the annual report to investors on request and make the annual report available to the FCA. The investment funds sourcebook of the FCA details requirements of the annual report. All the information required by those rules is included in this Annual Report or is or will be made available in due course on the Company's website ([aberdeenfrontiermarkets.co.uk](http://aberdeenfrontiermarkets.co.uk)).

### Leverage (under AIFMD)

Leverage is any method by which the exposure of an Alternative Investment Fund is increased through borrowing of cash or securities or leverage embedded in derivative positions (see also page 50 for further information). Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.

The AIFM is required to set leverage limits as a percentage of net assets for the Company utilising methods prescribed under AIFMD. These methods are known as the gross method and the commitment method. Under both methods the AIFM has set current maximum limits of leverage for the Company of 110%. A leverage percentage of 100% equates to nil leverage. The Company's leverage under each of these methods at its year end is shown below:

	Gross method	Commitment method
Maximum leverage limit	110%	110%
Actual leverage at 30 June 2019	100%	100%

### Foreign Account Tax Compliance Act ('FATCA') and Common Reporting Standard ('CRS')

The FATCA legislation which was introduced in the United States and the CRS placed obligations on financial institutions such as the Company. The Company has registered as a reporting financial institution under FATCA and has registered under CRS and is subject to ongoing reporting obligations.

### Depository and Custody Services

Northern Trust (Guernsey) Limited has been appointed to provide depository and custody services to the Company.

### Company Secretary and Administrators

Vistra Fund Services (Guernsey) Limited ('Vistra') is appointed as Administrator and Secretary to the Company. Vistra is appointed under a contract subject to six months written notice.

PraxisIFM Fund Services (UK) Limited ('PraxisIFM') is appointed by Vistra to act as UK Administration Agent. PraxisIFM is appointed under a contract subject to six months written notice.

Vistra receives a fee at a rate of £30,000 per annum, as well as the fees payable to the UK Administration Agent. The UK Administration Agent receives a monthly fixed fee from the Administrator equal to one twelfth of £20,675 plus a variable fee equal to 0.075% of the Company's NAV subject to a current minimum fee of £5,500 for each month. The fixed fee element will increase on 1 July each year, by the change in the UK RPI over the preceding twelve months.

### Settlement of Share Transactions

Transactions in the Company's shares can be settled through CREST share settlement system.

### Donations

The Company did not make any donations during the year under review.

### Anti-bribery and Corruption

It is the Company's policy to conduct all of its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates. The Company's policy and the procedures that implement it are designed to support that commitment.

### Going Concern

The Directors have adopted the going concern basis of accounting in preparing these financial statements. The Directors formally considered the Company's going concern status at the time of the publication of these financial statements and a summary of their assessment is provided below.

The Directors have a reasonable expectation that the Company has adequate operational resources to continue in existence for at least twelve months from the date of approval of the Annual Report. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income, expenses and other outflows. The Company has substantial operating expenses cover.

In light of the discount control policy approved by shareholders on 17 October 2018 and disclosed in the Chairman's Statement on page 5, the Board recognises that, although the Company has substantial resources to cover the Company's expenses and other costs likely to be faced by the Company for at least 12 months from the date of approval of this Annual Report, there exists a level of material uncertainty as to whether the performance of the Company will exceed the performance of the portfolio's Reference Benchmark.

Based on the above assessment, the Directors are satisfied that it is appropriate to adopt the going concern basis of accounting in preparing these financial statements.

---

## Viability Statement

In accordance with principle 21 of the AIC Code of Corporate Governance published in November 2016, the Directors have assessed the prospects of the Company over the period from the date of this report up until 30 June 2022 ('the Viability Period'). Taking account of the Company's current position, the principal risks that it faces and their potential impact on its future development and prospects, the Directors have assessed the prospects of the Company, to the extent that they are able to do so, over the next three years. They have made that assessment by considering those principal risks, the Company's investment objective and strategy, the investment capabilities of the Manager, the terms of the discount control policy and the current outlook for Frontier Market economies and equity markets.

In determining the appropriate Viability Period of assessment the Directors had regard to their view that, given the Company's objective of achieving long term capital growth, shareholders should consider the Company as a long term investment proposition. The Directors consider three years to be an appropriate time horizon to assess the Company's viability. In the opinion of the Manager, the portfolio is sufficiently liquid to meet all ongoing and future liabilities arising from the Fund's day-to-day business. Under normal market conditions, the majority of the investments held by the Company could be sold within one month. However, there are circumstances which could lead to a reduction in market liquidity and, therefore, the ability of the Company to realise its investments. The Company's income from investments and cash realisable from the sale of its investments provide substantial resources to cover the Company's expenses and other costs likely to be faced by the Company over the Viability Period.

The Board is of course very mindful of the costs incurred in managing an investment company and the fact that a fall in net assets will lead to a higher overall ongoing charges ratio ("OCR"). To that end, the Board and the Manager continue to seek to limit the Company's OCR to no more than 2% when calculated annually as at 30 June, subject to the rebate cap agreed by the Manager, as described below. The Manager has agreed to reduce the management fee to the extent necessary in an attempt to ensure that the Company's OCR (as calculated in accordance with the guidance issued by the Association of Investment Companies) does not exceed 2% but such rebate to be capped at a level of one third of the Manager's annual fee. There can, therefore, be no guarantee that the overall OCR of the Company will, even given any rebate by the Manager, be limited to 2%. The Board continues to monitor the liquidity of the portfolio and running costs. Furthermore, the Manager continues to remain supportive of the Company through its holding in the Company.

Notwithstanding the possible impact of the discount control policy in the Going Concern paragraph, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next three financial years.

## Auditors

In accordance with The Companies (Guernsey) Law, 2008, a resolution for the re-appointment of Grant Thornton Limited as auditor of the Company is to be proposed at the forthcoming AGM.

## Annual General Meeting ('AGM')

The AGM will be held on 10 December 2019. The notice of AGM is included in this document.

## Statement of Directors' Responsibilities

The statement of Directors' responsibilities on page 18 forms part of this report.

## Corporate Governance

The corporate governance statement on pages 19 to 22 forms part of this report.

## John Whittle

Director

## David Warr

Director

25 September 2019

# Statement of Directors' Responsibilities

---

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss for the year and are in accordance with The Companies (Guernsey) Law, 2008. In preparing these accounts, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates which are reasonable and prudent;
- State whether applicable International Financial Reporting Standards ('IFRS') as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts have been properly prepared in accordance with The Companies (Guernsey) Law, 2008. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with The Companies (Guernsey) Law, 2008, there is no relevant audit information of which the Company's auditor is unaware. The Directors also confirm that they have taken all steps they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The financial statements are published on the Company's website (website address: [www.aberdeenfrontiermarkets.co.uk](http://www.aberdeenfrontiermarkets.co.uk)) and on the Investment Manager's website (website address: [www.aberdeenstandard.com](http://www.aberdeenstandard.com)). The maintenance and integrity of the Investment Manager's website, so far as it relates to the Company, is the responsibility of the Investment Manager. The work carried out by the auditor does not involve consideration of the maintenance and integrity of these websites and accordingly, the auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on these websites. Visitors to the websites need to be aware that legislation in Guernsey governing the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge and belief the annual report and accounts taken as a whole, is fair, balanced and understandable and provides the information necessary to assess the Company's position and performance, business model and strategy.

For and on behalf of the Board

**John Whittle**  
Director

**David Warr**  
Director  
25 September 2019

## Governance

# Corporate Governance

This corporate governance statement forms part of the Directors' Report.

The Board has considered the principles and recommendations of the AIC Code of Corporate Governance ('AIC Code') by reference to the AIC Corporate Governance Guide for Investment Companies ('AIC Guide'). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code ('UK Code'), as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Guernsey Financial Services Commission ('GFSC') Finance Sector Code of Corporate Governance (the 'Guernsey Code') applies to all companies which hold a licence from the GFSC under the regulatory laws of Guernsey or are registered or authorised as collective investment schemes by the GFSC. Companies which report under the UK Code or the AIC Code are deemed to meet the requirements of the Guernsey Code.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive
- executive Directors' remuneration
- the need for an internal audit function

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive Directors, employees or internal operations.

### The Board

#### Composition

John Whittle was appointed on 1 February 2012, David Warr was appointed on 9 September 2015 and Lynne Duquemin was appointed on 18 February 2016. All the Directors hold their office in accordance with the Company's Articles of Incorporation.

The Board believes that during the year ended 30 June 2019 its composition was appropriate for an investment company of its nature and size. The Directors have a broad range of relevant experience which meets the Company's requirements.

**John Whittle** is Chairman of the Company.

John Whittle is a Fellow of the Institute of Chartered Accountants and holds the IOD Diploma in Company Direction. He was Finance Director of Close Fund Services where

he successfully initiated a restructuring of client financial reporting services and was a key member of the business transition team. He was at Price Waterhouse in London before embarking on a career in business services, predominantly in telecoms. He co-led the business turnaround of Talkland International (now Vodafone Retail). He is a non-executive director of a number of offshore investment funds and other companies.

**Lynne Duquemin** is a Non-Executive Director of the Company.

Lynne Duquemin is a member of the CFA Society of the UK and holds the ASIP qualification, she is also a member of the CFA Institute, Fellow of the Chartered Institute for Securities and Investment and Chartered Wealth Manager. She has over 30 years of investment experience across the City of London and Guernsey and has extensive knowledge of investment management and advisory services. Lynne has completed the IOD Company Direction Programme passing both the Certificate and Diploma examinations and subsequently became a Chartered Director and Fellow of the IoD. Lynne is a Director of Asset Risk Consultants Limited which provides investment consulting, manager research and performance reporting to private clients, charities, family offices, professional trustees and their trusted advisers.

**David Warr** is a Non-Executive Director of the Company.

David Warr is a Fellow of the Institute of Chartered Accountants in England and Wales having qualified as a Chartered Accountant in 1976. In 1981 David was appointed a partner in Reads & Co, a Guernsey based firm of chartered accountants which he helped develop into a more broadly based financial services business leading up to its sale at the end of 1998. David's experience at Reads & Co included audit, trust and company administration. He now acts as a non-executive director on a number of UK listed companies.

The Chairman is independent in accordance with principle 1 of the AIC Code. The Chairman has extensive knowledge of the investment management industry and his background provides the foundation for his role as Chairman.

The structure of the Board is such that it is considered unnecessary to identify a senior non-executive Director other than the Chairman.

All of the Directors of the Company are independent of the Investment Manager. There were no contracts subsisting during or at the end of the year in which a Director was or is materially interested.

The Board does not consider that the service tenure of Directors should be strictly limited to a maximum of nine years. The Board recognises the benefits to the Company of having longer serving Directors together with progressive refreshment of the Board.

A policy of insurance against Directors' and officers' liabilities is maintained by the Company.

# Governance

## Corporate Governance continued

At 30 June 2019 and at the date of this report the Directors had the following shareholdings in the Company:

	Ordinary Shares At 30 June 2019 and at the date of this report	Ordinary Shares At 1 July 2018
David Warr	–	–
John Whittle	18,350	18,350
Lynne Duquemin	–	–

A procedure has been adopted for Directors, in the furtherance of their duties, to take independent professional advice at the expense of the Company.

### Board Meetings

The actual number of meetings of the Board and Committees during the year under review is detailed in this corporate governance statement, together with individual Director's attendance at those meetings. The first number in the table is the meetings attended by the individual Director and the second number is the number of meetings that Director was eligible to attend.

### Re-election and Election of Directors

The services of each of the Directors are provided under the terms of letters of appointment between each of them and the Company and appointment is subject to termination upon one month's notice.

In accordance with the Company's Articles of Incorporation one third of the Directors will put themselves forward for election or re-election on an annual basis. Lynne Duquemin will retire and put herself forward for re-election at the AGM.

The Board recommends Lynne Duquemin for the reasons highlighted above and in the performance evaluation section of this report.

### Board Committees

The Company has established an Audit and Risk Committee, a Management Engagement Committee and a Nominations Committee. Since all the Directors are non-executive, the Board has not formed a Remuneration Committee as it is satisfied that any relevant issues can be properly considered by the Board as a whole. Other committees of the Board may be formed from time to time to deal with specific matters.

#### Audit and Risk Committee

A report on page 23 provides details of the role, composition and meetings of the Audit and Risk Committee together with a description of the work of the Audit and Risk Committee in discharging its responsibilities.

The Audit and Risk Committee has formal terms of reference and copies of these are available on request from the Company Secretary.

#### Management Engagement Committee

The Company has established a Management Engagement Committee which meets formally at least on an annual basis to consider the appointment and remuneration of the Investment Manager. The Management Engagement Committee also considers the appointment and remuneration of other main suppliers of services to the Company. The Management Engagement Committee currently comprises all of the Directors of the Company. David Warr is the Chairman of the Management Engagement Committee.

At its most recent meeting, the Management Engagement Committee recommended the continuing appointment of the Investment Manager.

#### Nominations Committee

The Company has established a Nominations Committee, which currently comprises all of the Directors of the Company. The Nominations Committee has been established for the purpose of identifying and putting forward candidates for the office of Director of the Company. The Nominations Committee meets as and when it is required. John Whittle is Chairman of the Nominations Committee.

	Quarterly Board	Nominations Committee	Audit and Risk Committee	Management Engagement Committee
Number held	4	0	3	1
John Whittle	4/4	N/A	3/3	1/1
David Warr	4/4	N/A	3/3	1/1
Lynne Duquemin	4/4	N/A	3/3	1/1

N/A = not applicable

In addition there were additional meetings to deal with matters relating to the formal approval of documents.

### Performance Evaluation

A formal annual performance appraisal process is performed. The Chairman and the other Directors appraise the performance of the individual Directors and the Board. The results are

discussed so that any necessary action can be considered and undertaken. A separate appraisal of the Chairman is carried out and the results are reported back to the Board and the Chairman.

The results of the most recent performance appraisal demonstrated that the structure of the Board and diverse experience of the Directors are appropriate to meet the Company's requirements.

---

## Board Diversity

The Company's policy is that the Board should have a broad range of skills. Consideration is given to the recommendations of the AIC Code and other guidance on boardroom diversity.

## Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has any interest in a service contract with the Company during the year or subsequently, although Directors are issued with letters of appointment upon appointment.

## Risk Management and Internal Controls

The AIC Code requires the Board to review the effectiveness of the Company's system of risk management and internal controls. The Board recognises its ultimate responsibility for the Company's system of risk management and internal controls and for monitoring its effectiveness. The system of risk management and internal controls is designed to manage rather than eliminate the risk of failure to achieve business objectives. It can provide only reasonable assurance against material misstatement or loss. The Board has undertaken a review of the aspects covered by the Financial Reporting Council ('FRC') guidance on internal controls and has identified risk management controls in the key areas of business objectives, accounting, compliance, operations and secretarial as being matters of particular importance upon which it requires reports. The Board believes that the existing arrangements, set out below, represent an appropriate framework to meet the internal control requirements. By these procedures the Directors have kept under review the effectiveness of the systems of risk management and internal controls throughout the year and up to the date of this report.

The Board and the Audit and Risk Committee use a risk assessment programme to consider the main risks and controls for the Company. The programme is reviewed and updated on at least an annual basis.

The Board has contractually delegated to external agencies, including the investment manager, the management of the investment portfolio, the custodial services (which include the safeguarding of the assets), the registration services and the accounting and company secretarial requirements. Each of these contracts were entered into after full and proper consideration of the quality and cost of services offered, including the financial control systems in operation in so far as they relate to the affairs of the Company.

## Financial Aspects of Internal Control

The Directors are responsible for the internal financial control systems of the Company and for reviewing their effectiveness. These aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are made and which is used for publication and that the assets of the Company are safeguarded. As stated above, the Board has contractually delegated to external agencies the services the Company requires, but they are fully informed of the internal control framework established by the Investment Manager, the Administrator and the UK Administration Agent to provide reasonable assurance on the effectiveness of internal financial controls. The Board does not consider that an internal audit function would be appropriate to the nature and circumstances of the Company.

The key procedures include monthly production of management accounts and daily NAV calculations, monitoring of performance at regular Board meetings, review by Directors of the valuation of securities, segregation of the administrative function from that of securities and cash custody and of both from investment management, maintenance of appropriate insurance and adherence to physical and computer security procedures.

The Statement of Directors' Responsibilities in respect of the financial statements is on page 18 and a statement of going concern is on page 16. The Independent Auditor's Report is on page 26.

## Other Aspects of Internal Control

The Board holds at least four regular meetings each year, plus additional meetings as required. Between these meetings there is regular contact with the Investment Manager, the Administrator and the UK Administration Agent.

The Investment Manager and the Company Secretary report in writing to the Board on operational and compliance issues prior to each meeting, and otherwise as necessary.

Directors receive and consider regular monthly reports from the UK Administration Agent, giving full details of all holdings in the portfolio and of all transactions and of all aspects of the financial position of the Company. The Administrator and UK Administration Agent report separately in writing to the Board concerning risks and internal control matters within their purview, including internal financial control procedures and secretarial matters. Additional ad hoc reports are received as required and Directors have access at all times to the advice and services of the Corporate Company Secretary, which is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Board performed a due diligence visit on the Manager during the year and intends to do so on an annual basis.

This contact with the Investment Manager, Administrator and UK Administration Agent enables the Board to monitor the Company's progress towards its objectives and encompasses an analysis of the risks involved. These matters are assessed on an ongoing basis through the year.

### Shareholder Relations

The Company invites all shareholders to attend the AGM and seeks to provide twenty working days' notice of that meeting. The Notice of Meeting sets out the business of the AGM and any item not of an entirely routine nature is explained in the Directors' Report. Separate resolutions are proposed for each substantive issue.

The Board welcomes feedback from shareholders and the Chairman may be contacted via the Company's registered office. All other Directors are available to shareholders if they have concerns over issues they feel have not been dealt with through the normal mode of communication with the Chairman.

### Exercise of Voting Powers

The Company is committed to exercise diligently its rights as a shareholder and votes on relevant decisions of its holdings. The Company considers shareholder voting to be an important issue in the pursuance of its investment objective. The Company and the Investment Manager support the principles of the UK Stewardship Code issued by the FRC in September 2012. The Investment Manager's proxy voting policy and a statement of the compliance with the principles of best practice of the Stewardship Code are available on the Investment Manager's website.

### Stewardship and Environmental, Social and Corporate Governance

The Board is aware of its overriding duty to act in the interests of the Company. The Board supports the Manager, a signatory to the United Nations Principles for Responsible Investment ('UNPRI'), in considering holistically the material risks posed by each investment, both from a financial and an environmental,

social and corporate governance ('ESG') perspective. The Manager takes into account all the risks and opportunities presented by potential and current holdings as part of its determination of the quality of each investment. The Manager also considers the extent to which investee companies consider risks and opportunities when setting their targets, remuneration and company strategy. The Manager engages with the Company's holdings on their material risks and opportunities and actively encourages investee companies to adhere to best practice in managing their material issues. The Company's ultimate objective is to deliver superior investment returns for its shareholders and the consideration of key risk and opportunities for Company's holdings is a vital part of the Manager's due diligence and stewardship practice. The Company has no employees as it is managed by ASFML and there are therefore no disclosures to be made in respect of employees.

### Global Greenhouse Gas Emissions

The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources.

### Modern Slavery Disclosure

Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of modern slavery. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

# Governance

## Report of the Audit and Risk Committee

---

### Role of the Audit and Risk Committee

The AIC Code recommends that Boards should establish audit committees consisting of at least three, or in the case of smaller companies two, independent non-executive Directors. The Board is required to satisfy itself that the Audit and Risk Committee has recent and relevant financial experience. The main role and responsibilities of the Audit and Risk Committee should be set out in written terms of reference covering certain matters described in the AIC Code. The Company complies with the AIC Code.

The Audit and Risk Committee meets at least twice a year and its main functions include, inter alia, reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant, considering annual and interim financial statements and audit reports, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications. The Committee is responsible for the development and implementation of a policy on the supply of any non-audit services provided by the auditor.

During the year, the Audit and Risk Committee performed a review of the internal financial control framework applicable to the Company and no matters of concern were noted.

### Composition

During the year, the Audit and Risk Committee comprised David Warr, Lynne Duquemin and John Whittle. David Warr is the Chairman of the Audit and Risk Committee. The Audit and Risk Committee has formal written terms of reference and copies of these are available on request from the Company Secretary. All members of the Audit and Risk Committee have recent and relevant financial experience. The Audit and Risk Committee has considered the need for an internal audit function and considers that this is not appropriate given the nature and circumstances of the Company. The Audit and Risk Committee keeps the need for an internal audit function under periodic review.

### Meetings

During the year ended 30 June 2019 there were three meetings of the Audit and Risk Committee. Attendance at these meetings is disclosed in the Corporate Governance section of this Annual Report.

### Financial Statements and Significant Accounting Matters

The Audit and Risk Committee considered the following significant accounting issues in relation to the Company's financial statements for the year ended 30 June 2019.

### Valuation and Existence of Investments

The Company, as an investment company, invests virtually all of its assets into Frontier Market investments. As at 30 June 2019, investments represented approximately 95% of the Company's net assets. The valuation and existence of investments is therefore the most material factor in the preparation of the financial statements.

The Audit and Risk Committee reviewed the procedures in place for ensuring accurate valuation and existence of investments. The Audit and Risk Committee discussed the

valuation and existence of the Company's investments at the year end with the Administrator, UK Administration Agent and the Investment Manager and received confirmation that the Company's investments had been valued in accordance with Company accounting policies and that the investments had been reconciled to the Company's custodian's records.

### Conclusion with Respect to the Annual Report and Financial Statements

The Audit and Risk Committee has concluded that the annual report for the year ended 30 June 2019, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's business model, strategy and performance. The Audit and Risk Committee has reported its conclusions to the Board of Directors. The Audit and Risk Committee reached this conclusion through a process of review of the document and enquiries to the various parties involved in the production of the annual report.

### Provision of Non-Audit Services

The Audit and Risk Committee has put a policy in place on the supply of any non-audit services provided by the external auditor. Such services are considered on a case-by-case basis and may only be provided to the Company if the provision of such services is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest which would prevent the auditor from remaining objective and independent. In the year ended 30 June 2019 there were no non-audit services provided other than agreed upon procedures services provided in relation to the Tender Offer distributions during the year.

### Audit Tenure

Grant Thornton Limited has been the external auditor to the Company for 12 years. The appointment of the external auditor is reviewed annually by the Audit and Risk Committee and the Board and is subject to approval by shareholders. The last audit partner rotation took place in respect of the year ended 30 June 2018 and the next rotation will take place in respect of the year ended 30 June 2023.

### Effectiveness of External Audit

The Audit and Risk Committee received a presentation of the audit plan from the external auditor prior to the commencement of the audit and a presentation of the results of the audit following completion of the main audit testing. The Audit and Risk Committee performed a review of the external auditor following the presentation of the results of the audit. As part of this process a checklist was used which covered the key areas of the audit and any subject matter raised was discussed with the Manager and the UK Administration Agent. The review included a discussion of the effectiveness of the audit process and the ability of the external auditor to fulfil its role. Following the review, the Audit and Risk Committee agreed that the re-appointment of Grant Thornton Limited as auditor to the Company should be recommended to the Board and the shareholders of the Company.

**David Warr**  
Audit and Risk Committee Chairman

# Governance

## Directors' Remuneration Report

Since all Directors are non-executive, a remuneration committee has not been formed as the Directors are satisfied that any relevant issues can be properly considered by the Board as a whole.

### Remuneration Policy

The Board's policy is that the remuneration of non-executive Directors should be fair and should reflect the experience, work involved, responsibilities and potential liabilities of the Board as a whole. The non-executive Directors' fees are determined within the limits set out in the Company's Articles of Association and they are not eligible for bonuses, pension benefits, share benefits, share options, long-term incentive schemes or other benefits. It is intended that this policy will continue for the year ending 30 June 2020 and for subsequent years.

The maximum amount currently payable in aggregate to the Directors is £200,000 per annum. This amount may be changed by the passing of an ordinary resolution of the Company. The current maximum amount was approved by shareholders at the Company's AGM held in December 2013.

No services have been provided by, or fees paid to, advisers in respect of remuneration policy during the year ended 30 June 2019 (2018: none).

### Directors' Service Contracts

The Directors do not have service contracts. The Directors have appointment letters subject to termination upon one months' notice. The Directors are all subject to re-election by shareholders at a maximum interval of three years.

### Directors' Emoluments for the Year

The Directors' fees are payable in sterling.

With effect from 1 January 2015, fees have been payable at a rate of £35,000 per annum to the Chairman and £25,000 per annum to the other Directors. An additional fee of £5,000 per annum is payable to the Chairman of the Audit and Risk Committee.

The following emoluments in the form of fees, which were paid in sterling, were payable in the year ended 30 June 2019 to the Directors who served during that year:

	Fees 2019 \$	Fees 2018 \$
John Whittle	45,222	47,433
David Warr	38,762	40,657
Lynne Duquemin	32,301	33,880
	116,285	121,970

# Governance

## Depositary Report

---

### Report of the Depositary to the Shareholders

Northern Trust (Guernsey) Limited has been appointed as Depositary to Aberdeen Frontier Markets Investment Company Limited (the 'Company') in accordance with the requirements of Article 36 and Articles 21(7), (8) and (9) of the Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (the 'AIFM Directive').

We have enquired into the conduct of Aberdeen Standard Fund Managers Limited (the 'AIFM') for the year ended 30 June 2019, in our capacity as Depositary to the Company.

This report including the review provided below has been prepared for and solely for the shareholders in the Company. We do not, in giving this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

Our obligations as Depositary are stipulated in the relevant provisions of the AIFM Directive and the relevant sections of Commission Delegated Regulation (EU) No 231/2013 (collectively the 'AIFMD legislation').

Amongst these obligations is the requirement to enquire into the conduct of the AIFM and the Company and their delegates in each annual accounting period.

Our report shall state whether, in our view, the Company has been managed in that period in accordance with the constitutional document and the AIFMD legislation. It is the overall responsibility of the AIFM to comply with these provisions. If the AIFM or their delegates have not so complied, we as the Depositary will state why this is the case and outline the steps which we have taken to rectify the situation.

The Depositary and its affiliates are or may be involved in other financial and professional activities which may on occasion cause a conflict of interest with its roles with respect to the Company. The Depositary will take reasonable care to ensure that the performance of its duties will not be impaired by any such involvement and that any conflicts which may arise will be resolved fairly and any transactions between the Depositary and its affiliates and the Company shall be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of shareholders.

### Basis of Depositary Review

The Depositary conducts such reviews as it, in its reasonable discretion, considers necessary in order to comply with its obligations and to ensure that, in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the constitutional documentation and the appropriate regulations. Such reviews vary based on the type of Fund, the assets in which a Fund invests and the processes used, or experts required, in order to value such assets.

### Review

In our view, the Company has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the constitutional document; and by the AIFMD legislation; and
- otherwise in accordance with the provisions of the constitutional document and the AIFMD legislation.

**For and on behalf of**  
**Northern Trust (Guernsey) Limited**  
25 September 2019

# Governance

## Independent Auditor's Report

---

Independent Auditor's Report to the Members of  
Aberdeen Frontier Markets Investment Company Limited

### Opinion

#### Our Opinion on the Financial Statements is Unmodified

We have audited the financial statements of Aberdeen Frontier Markets Investment Company Limited (the "Company") for the year ended 30 June 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ('IFRSs') as adopted by the European Union and as applied in accordance with the provisions of the The Companies (Guernsey) Law, 2008.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its loss for the year then ended;
- are in accordance with IFRSs as adopted by the European Union;
- comply with The Companies (Guernsey) Law, 2008.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Guernsey, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Who We are Reporting to

This report is made solely to the Company's members, as a body, in accordance with Section 262 of The Companies (Guernsey) Law, 2008 (as amended). Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Emphasis of Matter – Material Uncertainty Related to Going Concern

We draw attention to the Going Concern statement on page 16 which indicates that the Company's shareholders will be given the opportunity to fully exit their investment in the Company should its Share Price Total Return for the two year period from 1 July 2018 to 30 June 2020 fail to exceed that of the MSCI Frontier Markets Index (in sterling terms). Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in the audit
<p data-bbox="130 336 638 403"><b>Valuation of investments at fair value through profit or loss ('FVTPL')</b></p> <p data-bbox="130 403 638 593">The principal activity of the Company is to invest in a portfolio of equities, funds and other investment products invested in frontier markets with a view to generate long-term capital growth for its shareholders.</p> <p data-bbox="130 593 638 728">Accordingly, the investment portfolio is a significant and material item. The valuation of the investment portfolio is therefore a risk that requires special audit attention.</p>	<p data-bbox="638 336 1482 380">Our audit work included, but was not restricted to:</p> <ul data-bbox="638 380 1482 817" style="list-style-type: none"> <li data-bbox="638 380 1482 448">• understanding the Board's process to value quoted and unquoted investments;</li> <li data-bbox="638 448 1482 526">• agreeing the valuation of all quoted investments held by the Company to an independent source of market prices;</li> <li data-bbox="638 526 1482 627">• obtaining trading volumes of quoted investments to determine whether they were actively traded and correctly classified as 'Level 1' under IFRS 13's fair value hierarchy; and</li> <li data-bbox="638 627 1482 817">• for unquoted investments, assessing whether the valuations were made in accordance with published guidance and assessing the reasonableness of valuation methods used, corroborating key assumptions made by management by reference to both supporting documentation and data obtained from market research and reviewing management's estimates where no observable inputs are available.</li> </ul> <p data-bbox="638 817 1482 918">The Company's accounting policy and other disclosures on financial assets designated at FVTPL are included in Notes 1(b) and 9 to the financial statements.</p> <p data-bbox="638 918 1482 963"><b>Key observations</b></p> <p data-bbox="638 963 1482 1030">Based on our audit procedures, we conclude that investment valuations are materially correct as at 30 June 2019.</p>
<p data-bbox="130 1030 638 1075"><b>Improper revenue recognition due to fraud</b></p> <p data-bbox="130 1075 638 1265">The Company measures its performance through realised gains on disposal of its investments, unrealised gains on revaluation of investments and dividend income. These significant components are measured in the Statement of Comprehensive Income.</p> <p data-bbox="130 1265 638 1400">There is an incentive for management to overstate revenue, making revenue recognition a risk that requires special audit attention.</p>	<p data-bbox="638 1030 1482 1075">Our audit work included, but was not restricted to:</p> <ul data-bbox="638 1075 1482 1489" style="list-style-type: none"> <li data-bbox="638 1075 1482 1153">• assessing whether the Company's accounting policy for revenue recognition was in accordance with International Accounting Standard (IAS) 18 'Revenue';</li> <li data-bbox="638 1153 1482 1220">• obtaining an understanding of the Company's process for recognising revenue in accordance with the stated accounting policy;</li> <li data-bbox="638 1220 1482 1299">• testing whether a sample of income transactions was recognised in accordance with the accounting policy;</li> <li data-bbox="638 1299 1482 1366">• testing a sample of dividends received as reported in the general ledger and agreeing the details of dividends reported to independent sources;</li> <li data-bbox="638 1366 1482 1411">• recalculating realised gains on a sample of investment disposals; and</li> <li data-bbox="638 1411 1482 1489">• recalculating unrealised gains on a sample of investments at fair value through profit or loss.</li> </ul> <p data-bbox="638 1489 1482 1556">The Company's accounting policy on revenue recognition is shown in note 1(c) and related disclosures are included in note 3.</p> <p data-bbox="638 1556 1482 1601"><b>Key observations</b></p> <p data-bbox="638 1601 1482 1693">Based on our audit procedures, we did not identify any evidence of material misstatement in the revenue recognised for the year ended 30 June 2019 in the financial statements.</p>

### Our Application of Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our audit work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be \$728,000 which is 1.5% of the Company's net asset value (NAV) as at 30 June 2019. This benchmark is considered the most appropriate because the users of the financial statements are sensitive to changes in net asset value as an indicator of the value of their investment in the Company.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 75% of financial statement materiality for the audit of the financial statements. We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be \$36,400, being 5% of materiality. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

### An Overview of the Scope of our Audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records are outsourced to regulated third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and the third-party service providers, and inspecting records and documents held by those third-party service providers. We undertook substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls over individual systems and the management of specific risks.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the annual report set out on pages 45 to 50 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on Which We are Required to Report by Exception

We have nothing to report in respect of the following matters in relation to which The Companies (Guernsey) Law, 2008 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the Company; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations, which to the best of our knowledge and belief, are necessary for the purposes of our audit.

### Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 18, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

---

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). Our audit approach is a risk-based approach and is explained more fully in the 'An overview of the scope of our audit' section of our audit report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Other Matters Which We are Required to Address**

Following the recommendation of the audit committee, we were appointed by the Board of Directors to audit the financial statements for the year ending 30 June 2008 and subsequent financial periods.

The period of total uninterrupted engagement is 12 years, covering the years ending 30 June 2008 to 30 June 2019.

No non-audit services prohibited by the FRC's Ethical Standard were provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

### **Michael Carpenter**

For and on behalf of Grant Thornton Limited  
Chartered Accountants  
St Peter Port, Guernsey, Channel Islands  
25 September 2019

## Financial Statements

# Statement of Comprehensive Income

	Notes	Year ended 30 June 2019			Year ended 30 June 2018		
		Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Losses on investments	2	-	(10,151)	(10,151)	-	(8,780)	(8,780)
Capital (losses)/gains on currency movements		-	(180)	(180)	-	244	244
<b>Net investment losses</b>		-	<b>(10,331)</b>	<b>(10,331)</b>	-	<b>(8,536)</b>	<b>(8,536)</b>
Income	3	2,006	-	2,006	2,329	-	2,329
		<b>2,006</b>	<b>(10,331)</b>	<b>(8,325)</b>	<b>2,329</b>	<b>(8,536)</b>	<b>(6,207)</b>
Investment management fees	4	(148)	(295)	(443)	(260)	(519)	(779)
Other expenses	4	(660)	-	(660)	(794)	-	(794)
<b>Net loss from operations before finance costs and taxation</b>		<b>1,198</b>	<b>(10,626)</b>	<b>(9,428)</b>	<b>1,275</b>	<b>(9,055)</b>	<b>(7,780)</b>
Finance costs	5	(25)	-	(25)	(26)	-	(26)
<b>Net loss before taxation</b>		<b>1,173</b>	<b>(10,626)</b>	<b>(9,453)</b>	<b>1,249</b>	<b>(9,055)</b>	<b>(7,806)</b>
Withholding tax	8	(189)	-	(189)	(233)	-	(233)
<b>Net loss after taxation</b>		<b>984</b>	<b>(10,626)</b>	<b>(9,642)</b>	<b>1,016</b>	<b>(9,055)</b>	<b>(8,039)</b>
<b>Losses per Ordinary Share</b>	9	<b>1.30c</b>	<b>(14.03c)</b>	<b>(12.73c)</b>	<b>1.19c</b>	<b>(10.61c)</b>	<b>(9.42c)</b>

The total column of this statement represents the Company's Statement of Comprehensive Income, prepared under IFRS as adopted by the European Union. The revenue and capital columns, including the revenue and capital earnings per share data, are supplementary information prepared under guidance published by the Association of Investment Companies.

The Company does not have any income or expenses that are not included in the loss for the year and therefore the 'Net loss after taxation' is also, the total comprehensive income for the year.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the year.

The notes on pages 34 to 43 form an integral part of these financial statements.

# Financial Statements

## Statement of Financial Position

	Notes	As at 30 June 2019 \$'000	As at 30 June 2018 \$'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	2	46,188	66,931
<b>Current assets</b>			
Cash and cash equivalents		1,939	719
Sales for future settlement		800	855
Other receivables		401	76
		<b>3,140</b>	<b>1,650</b>
<b>Total assets</b>		<b>49,328</b>	<b>68,581</b>
<b>Current liabilities</b>			
Purchases for future settlement		593	-
Other payables		121	141
		<b>714</b>	<b>141</b>
<b>Net assets</b>		<b>48,614</b>	<b>68,440</b>
<b>Capital and reserves attributable to equity holders</b>			
Share capital and Share premium account		3,798	12,543
Capital reserve		44,551	55,546
Revenue reserve		265	351
<b>Total equity</b>		<b>48,614</b>	<b>68,440</b>
<b>Net assets per Ordinary Share (US cents)</b>	12	<b>67.60c</b>	<b>80.90c</b>
<b>Exchange rate GBP/USD (mid market)</b>		<b>0.78770</b>	<b>0.75735</b>
<b>Net assets per Ordinary Share (pence)</b>		<b>53.25p</b>	<b>61.27p</b>

Approved and authorised for issue by the Board of Directors on 25 September 2019 and signed on their behalf by:

**John Whittle**  
Director

**David Warr**  
Director

The notes on pages 34 to 43 form an integral part of these financial statements.

## Financial Statements

# Statement of Changes in Equity

For the year ended 30 June 2019	Note	Share capital and Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total \$'000
<b>Balance at 1 July 2018</b>		12,543	55,546	351	68,440
Tender offer	11	(8,745)	-	-	(8,745)
(Loss)/profit for the year		-	(10,626)	984	(9,642)
Equity dividends paid	17	-	(369)	(1,070)	(1,439)
<b>Balance at 30 June 2019</b>		<b>3,798</b>	<b>44,551</b>	<b>265</b>	<b>48,614</b>

For the year ended 30 June 2018		Share capital and Share premium account \$'000	Capital reserve \$'000	Revenue reserve \$'000	Total \$'000
<b>Balance at 1 July 2017</b>		12,254	66,135	1,037	79,426
Revaluation on Tender offer		289	-	-	289
Purchase of own shares	11	-	(679)	-	(679)
(Loss)/profit for the year		-	(9,055)	1,016	(8,039)
Equity dividends paid	17	-	(855)	(1,702)	(2,557)
<b>Balance at 30 June 2018</b>		<b>12,543</b>	<b>55,546</b>	<b>351</b>	<b>68,440</b>

The notes on pages 34 to 43 form an integral part of these financial statements.

## Financial Statements

# Statement of Cash Flow

	Notes	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
<b>Operating activities</b>			
Cash inflow from investment income and bank interest		2,035	2,671
Cash outflow from management expenses		(1,217)	(1,601)
Cash (outflow)/inflow from foreign exchange movements		(440)	228
Cash outflow from taxation	8	(189)	(233)
<b>Net cash flow from operating activities</b>	<b>13</b>	<b>189</b>	<b>1,065</b>
<b>Investing activities</b>			
Cash inflow from disposal of investments		29,864	39,869
Cash outflow from purchase of investments		(18,467)	(41,355)
<b>Net cash flow from/(used in) investing activities</b>		<b>11,397</b>	<b>(1,486)</b>
<b>Financing activities</b>			
Finance charges and interest paid		(25)	(26)
Purchase of own shares	11	-	(679)
Tender offer costs		(158)	(8)
Tender offer distributions paid	11	(8,745)	(437)
Equity dividends paid	17	(1,438)	(2,557)
<b>Net cash flow used in financing activities</b>		<b>(10,366)</b>	<b>(3,707)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>1,220</b>	<b>(4,128)</b>
Cash and cash equivalents opening balance		719	4,847
<b>Cash and cash equivalents balance at 30 June</b>		<b>1,939</b>	<b>719</b>

The notes on pages 34 to 43 form an integral part of these financial statements.

# Financial Statements

## Notes to the Financial Statements

---

### 1 Accounting policies

#### Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ('IFRS'), approved by the International Accounting Standards Board and as adopted by the European Union.

The financial statements give a true and fair view of the state of affairs of the Company as at the end of the year and of the profit or loss for the year and are in accordance with The Companies (Guernsey) Law, 2008.

Under IFRS, the Statement of Recommended Practice ('SORP') issued by the Association of Investment Companies has no formal status, but the Company has taken the guidance of the SORP into account to the extent that it is deemed appropriate and compatible with IFRS and the Company's circumstances.

The particular accounting policies adopted are described below:

#### (a) Accounting convention

The financial statements are prepared under the historical cost convention, except for the measurement of investments at fair value.

#### (b) Investments

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are held at fair value through profit or loss on initial recognition in accordance with IFRS 9. These investments are recognised on the trade date of their acquisition. At this time, fair value is the cost of investment.

After initial recognition such investments are valued at fair value which is determined by reference to:

- (i) primarily market bid price for investments quoted on recognised stock exchanges (market mid or last trade price will be used where deemed to more appropriately reflect fair value);
- (ii) NAV per individual investee funds' administrators for unquoted open-ended funds; and
- (iii) by using other valuation techniques to establish fair value for any other unquoted investments.

Investments are derecognised on the trade date of their disposal. Gains or losses are recognised in the capital column of the Statement of Comprehensive Income.

Transaction costs incurred on the acquisition and disposal of investments are charged to capital and included in the 'Losses on investments' on the Statement of Comprehensive Income.

#### (c) Income from investments

Dividend income from Ordinary Shares is accounted for on the basis of ex-dividend dates. Income from fixed interest shares and securities is accounted for on an accruals basis using the effective interest method. Special dividends are assessed on their individual merits and are credited to the capital column of the Statement of Comprehensive Income if the substance of the payment is a return of capital; with this exception all other investment income is taken to the revenue column of the Statement of Comprehensive Income. Bank interest receivable is accounted for on a time apportionment basis.

#### (d) Capital reserves

Profits and losses on disposals of investments and gains and losses on revaluation of investments held are allocated to the capital reserve via the capital column of the Statement of Comprehensive Income. Dividends may be distributed from Capital reserves.

#### (e) Revenue reserves

The balance of all items allocated to the revenue column of the Statement of Comprehensive Income in each year is transferred to the Company's Revenue reserves. Dividends may be distributed from Revenue reserves.

#### (f) Investment management fees

Two thirds of the basic investment management fee is allocated to the capital column of the Statement of Comprehensive Income. Fees allocated to the capital column are taken to the Capital reserve.

#### (g) Foreign currency

The Company's shares were issued in US dollars and the majority of the Company's investments are priced in US dollars and this is considered to be the functional currency of the Company. Therefore, it is the Company's policy to present the accounts in US dollars. The Company's shares are traded in sterling on the Alternative Investment Market ('AIM').

Assets and liabilities held in currencies other than US dollars are translated into US dollars at the official market rates of exchange prevailing at the reporting date. Currency gains and losses arising on retranslating investments are allocated to the capital column of the Statement of Comprehensive Income. All other currency gains and losses are allocated to the capital or revenue columns of the Statement of Comprehensive Income depending on the nature of the transaction.

---

**(h) Finance costs**

Finance costs include interest payable and direct loan costs. In line with the Company's policy for investment management fees, two thirds of finance costs are allocated to the capital column of the Statement of Comprehensive Income. Fees allocated to the capital column are taken to the capital reserve. Loan arrangement costs are amortised over the term of the loan on an effective interest rate basis.

**(i) Financial liabilities**

The Company's financial liabilities include borrowings and other payables. Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted for transaction costs. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires. Financial liabilities are measured subsequently at amortised cost using the effective interest method. At the year end and at the date of this report, the Company did not have any borrowings.

**(j) Cash and cash equivalents**

Cash and cash equivalents in the financial statements comprise cash held at the bank or by the custodian.

**(k) Operating segments**

IFRS 8, 'Operating segments' requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The Board has considered the requirements of the standard and is of the view that the Company is engaged in a single segment of business, which is to generate long-term capital growth for its shareholders by investing in a diversified portfolio of funds and other investment products which derive their value from Frontier Markets.

The Board of Directors is responsible for ensuring that the Company's investment objective is followed. The day-to-day implementation of this has been delegated to the Investment Manager but the Board retains responsibility for the overall direction of the Company. The Board reviews the investment decisions of the Investment Manager at regular Board meetings. The Investment Manager has been given full authority to make investment decisions on behalf of the Company in accordance with the investment objective.

**(l) Unconsolidated structured entities**

Changes in fair value of investments, including structured entities, are included in the Statement of Comprehensive Income.

**(m) New standards, interpretations and amendments**

The Company has adopted IFRS 9 Financial Instruments, which became effective on 1 January 2018. IFRS 9 replaces IAS 39, 'Financial Instruments: Recognition and measurement'. It includes revised guidance on the classification and measurement of financial instruments; a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements. It also carries forward the guidance from IAS 39 regarding recognition and derecognition of financial instruments. Adoption of this standard did not have a material impact on the classification of financial assets and liabilities of the Company, because the financial instruments, measured at fair value through profit or loss ("FVTPL") under IAS 39, are managed on a fair value basis in accordance with a documented investment strategy. Accordingly, these financial instruments have been mandatorily measured at FVTPL under IFRS 9. There has been no restatement in the comparative figures for the period ended 30 June 2018 as a result of adopting IFRS 9.

There are no other new standards, interpretations or amendments, which have been endorsed by the EU and became effective during the year that have had a material impact on the Company.

**(n) Critical accounting estimates and judgements in applying accounting policies**

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from such estimates. These financial statements have been prepared on a going concern basis, which the Directors of the Company believe to be appropriate.

The most critical judgements and estimates that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are the functional currency of the Company (see note 1(g)) and the fair value estimation of financial assets held at fair value through profit or loss (see notes 1(b) and 15).

**(o) Going concern**

As described in the Directors' Report on page 16, the Directors have adopted the going-concern basis in preparing the financial statements.

# Financial Statements

## Notes to the Financial Statements continued

### 2 Investments at fair value through profit or loss

	2019 \$'000	2018 \$'000
Quoted direct equity investments	46,188	66,295
Open-ended fund and limited liability partnership investments	-	636
<b>Total fixed asset investments at fair value</b>	<b>46,188</b>	<b>66,931</b>
Investments at cost		
Opening balance of investments at cost	77,793	76,320
Additions at cost	19,059	34,243
Disposals at cost	(34,455)	(32,770)
<b>Cost of investments at 30 June</b>	<b>62,397</b>	<b>77,793</b>
Revaluation of investments to fair value		
Opening balance	(10,862)	(1,448)
Unrealised losses taken to Capital reserve	(5,347)	(9,414)
<b>Balance at 30 June</b>	<b>(16,209)</b>	<b>(10,862)</b>
<b>Fair value of investments at 30 June</b>	<b>46,188</b>	<b>66,931</b>
<b>Losses on investments per Statement of Comprehensive Income</b>		
(Losses)/gains on disposal of investments	(4,804)	634
Movement on revaluation of investments held	(5,347)	(9,414)
	<b>(10,151)</b>	<b>(8,780)</b>

#### Fair value estimation

The Company complies with IFRS 13. The Company's investments are valued at fair value.

IFRS 13 requires the Company to classify its investments in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy under IFRS 13 are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The classification of the Company's investments at fair value through profit or loss as at 30 June 2019 is detailed in the table below:

30 June	2019 \$'000	2018 \$'000
<b>Investment at fair value through profit or loss:</b>		
Level 1	46,188	66,295
Level 2	-	-
Level 3	-	636
<b>Total</b>	<b>46,188</b>	<b>66,931</b>

Investments whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include active listed equities. The Company does not adjust the quoted price for these instruments.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include monthly priced funds.

Investments classified within Level 3 have significant unobservable inputs as they trade infrequently. As at the year end, there were no level 3 classified investments. Sustainable Capital Africa Consumer Fund ('SCACF') was redeemed during the year. There remained a residual value being due to the Company equivalent to the value of SCACF's underlying holding in Delta Corporation Limited. As at 30 June 2019 the residual value due to the Company stood at \$275,000.

Reconciliation of the Level 3 classification investments during the year to 30 June 2019 is shown below:

	2019 \$'000	2018 \$'000
Opening balance at beginning of year	636	786
Level 2 securities reclassified to level 3	-	636
Level 3 securities sold during the year	(379)	(920)
Revaluation adjustments*	(257)	134
<b>Closing balance at end of year</b>	<b>-</b>	<b>636</b>

\* These adjustments form part of the '(Losses)/gains on Investments' figure in the Statement of Comprehensive Income.

The valuation policies used by the Company are explained in the Accounting Policies Note 1(b) on page 34.

### 3 Income

	2019 \$'000	2018 \$'000
Dividends from investments	2,004	2,329
Other income	2	-
<b>Total investment income</b>	<b>2,006</b>	<b>2,329</b>

### 4 Investment management fees and other expenses

	2019			2018		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Investment management fees	181	361	542	260	519	779
Investment management fees rebates *	(33)	(66)	(99)	-	-	-
<b>Total investment management fees</b>	<b>148</b>	<b>295</b>	<b>443</b>	<b>260</b>	<b>519</b>	<b>779</b>
Administration fees	124	-	124	145	-	145
Directors' fees	116	-	116	122	-	122
Depository and custody fees	197	-	197	301	-	301
Broker fees	29	-	29	33	-	33
Registrar's fees	37	-	37	38	-	38
Auditor's fees	28	-	28	28	-	28
Nominated adviser fees	22	-	22	27	-	27
Promotion	31	-	31	36	-	36
Other expenses	76	-	76	64	-	64
<b>Total other expenses</b>	<b>660</b>	<b>-</b>	<b>660</b>	<b>794</b>	<b>-</b>	<b>794</b>
<b>Total expenses</b>	<b>808</b>	<b>295</b>	<b>1,103</b>	<b>1,054</b>	<b>519</b>	<b>1,573</b>

\* The Manager has agreed to reduce the management fee to the extent necessary in an attempt to ensure that the Company's Ongoing Charge Ratio ('OCR'), as calculated in accordance with the guidance issued by the Association of Investment Companies does not exceed 2.00%, but such rebate to be capped at a level of one third of the Manager's annual fee. There can, therefore, be no guarantee that the overall OCR of the Company will, even given any rebate by the Manager, be limited to 2.00%.

The Company's ongoing charges for the year ended 30 June 2019 calculated in accordance with the AIC methodology was capped at 2.00% (2018: 2.01%). The ongoing charges figure does not include finance costs.

Further details on the management agreement are provided in the Directors' Report on page 15. The Company has agreed to pay a fee to Aberdeen Asset Managers Limited for the provision of promotional activities at an annual rate of £22,000 with effect from July 2018 (prior to that, the fee was at an annual rate of £26,600).

# Financial Statements

## Notes to the Financial Statements continued

### 5 Finance costs

	2019			2018		
	Revenue \$'000	Capital \$'000	Total \$'000	Revenue \$'000	Capital \$'000	Total \$'000
Bank charges	25	-	25	26	-	26
<b>Total finance costs</b>	<b>25</b>	<b>-</b>	<b>25</b>	<b>26</b>	<b>-</b>	<b>26</b>

### 6 Directors' fees

The fees paid or accrued were \$116,000 (2018: \$122,000). There were no other emoluments. Full details of the fees of each Director are given in the Directors' Remuneration Report on page 24.

### 7 Transaction charges

	2019 \$'000	2018 \$'000
Transaction costs on purchases of investments	58	64
Transaction costs on sales of investments	123	75
<b>Total transaction costs</b>	<b>181</b>	<b>139</b>

### 8 Taxation

The Company is resident for tax purposes in Guernsey.

The Company is exempt from Guernsey income tax under the Income Tax (Exempt Bodies) (Guernsey) Ordinances 1989 and 1992 and was charged an annual exemption fee of £1,200 (2018: £1,200) during the year.

During the year, the Company suffered foreign withholding tax on income from investments totalling in aggregate \$189,000 (2018: \$233,000).

### 9 Losses per Ordinary Share

Losses per Ordinary Share is based on the net loss of \$9,642,000 (2018: loss of \$8,039,000) attributable to the weighted average of 75,734,498 (2018: 85,316,533) Ordinary Shares of no par value in issue during the year to 30 June 2019.

Supplementary information is provided as follows:

Revenue reserve per Ordinary Share for the year is based on the net revenue reserve profit of \$984,000 (2018: revenue reserve profit of \$1,016,000) attributable to the weighted average of 75,734,498 (2018: 85,316,533) Ordinary Shares of no par value in issue during the year to 30 June 2019.

Capital reserve per Ordinary Share for the year is based on the net capital reserve loss of \$10,620,000 (2018: capital reserve loss of \$9,055,000) attributable to the weighted average of 75,734,498 (2018: 85,316,533) Ordinary Shares of no par value in issue during the year to 30 June 2019.

### 10 Loans and overdraft facility payable

During the year, the Company had a \$600,000 temporary overdraft facility with Northern Trust (Guernsey) Limited ('NT') from 24 May 2019 to 14 June 2019 (2018: \$5,000,000 temporary overdraft facility with NT from 17 March 2017 to 6 July 2017).

## 11 Share capital

### Movement in Ordinary Shares of no par value

	Authorised	Allotted, issued and fully paid	Treasury shares
<b>For the year ended 30 June 2019</b>			
Opening number of shares as at 1 July 2018	Unlimited	84,600,108	1,302,500
Validly tendered shares for cancellation		(12,689,991)	-
<b>Closing number of shares as at 30 June 2019</b>	<b>Unlimited</b>	<b>71,910,117</b>	<b>1,302,500</b>

	Authorised	Allotted, issued and fully paid	Treasury shares
<b>For the year ended 30 June 2018</b>			
Opening number of shares as at 1 July 2017	Unlimited	85,452,608	450,000
Purchase of own shares	-	(852,500)	852,500
<b>Closing number of shares as at 30 June 2018</b>	<b>Unlimited</b>	<b>84,600,108</b>	<b>1,302,500</b>

#### Voting rights

At General Meetings of the Company, every member present in person or proxy shall have one vote for every Ordinary Share of which they are the registered holder.

#### Tender offer

On 17 October 2018, the Company received valid tenders for 12,689,991 Ordinary Shares.

Following the implementation of the Tender Offer, the Company has 73,212,617 Ordinary Shares in issue (including 1,302,500 Shares of which will be held in treasury and for which the exercise of voting rights will be suspended). The total number of Ordinary Shares with voting rights in the Company is 71,910,117 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company.

The total value of validly tendered Ordinary Shares in the period was \$8,745,000. The distribution to shareholders who had validly tendered shares took place during the week commencing 29 October 2018.

#### Other purchases of own shares

There were no other Ordinary Shares re-purchased during the year ended 30 June 2019 (2018: 852,500 Ordinary Shares re-purchased during the year at an aggregate cost to the Company of \$679,000, all of which are held in treasury).

## 12 Net Assets Value ('NAV') per Ordinary Share

Net assets per Ordinary Share of \$0.6760 (2018: \$0.8090) is based on net assets of \$48,615,400 (2018: \$68,440,000) divided by 71,910,117 (2018: 84,600,108) Ordinary Shares in issue (excluding shares held in treasury) as at the year end date.

The below table is a reconciliation between the NAV per Ordinary Share announced on the London Stock Exchange and the NAV per share disclosed in these financial statements.

	2019		2018	
	NAV (including income) \$'000	NAV per Ordinary Share (including income) \$'	NAV (including income) \$'000	NAV per Ordinary Share (including income) \$'
NAV as published on 1 July 2019 (2018: as published on 2 July 2018)	48,505	0.6745	68,440	0.8090
Adjustments – Management fee rebate and other expenses	109	0.0015	-	-
<b>NAV per Ordinary Share as disclosed in these financial statements</b>	<b>48,614</b>	<b>0.6760</b>	<b>68,440</b>	<b>0.8090</b>

### 13 Reconciliation of net operating loss to net cash flow from operating activities

	2019 \$'000	2018 \$'000
Net operating loss	(9,428)	(7,780)
Less: Tax deducted at source on income from investments	(189)	(233)
Add: Tender offer costs	158	8
Less: Adjustment for unrealised losses	5,347	9,414
Decrease/(increase) in debtors	4,320	(327)
Decrease in creditors	(19)	(17)
<b>Net cash flow from operating activities</b>	<b>189</b>	<b>1,065</b>

### 14 Related party transactions

Details of the management contract can be found in the Directors' Report on page 15. Fees payable to the Investment Manager are detailed in note 4 on page 37. Other payables include accruals of basic management fees of \$40,421 (2018: \$57,033).

Aberdeen Asset Management PLC shareholding in the Company as at year end stood at 13,750,000 (2018: 13,750,000) Ordinary Shares.

The Directors' shareholdings in the Company as at year end are disclosed on page 20.

### 15 Financial instruments - risk profile

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

#### Market risks

##### (i) Portfolio risks

The risk that the portfolio, managed by the Investment Manager, suffers a fall in its market value which would have an adverse effect on shareholders' funds. The Company's investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of equity securities and there can be no assurance that appreciation in the value of those investments will occur.

The Investment Manager's investment process concentrates on a company's business strategy, management, financial strength, ownership structure as well as corporate governance, with a view to seeking companies that it can invest in for the long term. This quality test means that there may be stocks which the Investment Manager will not invest in due to a perceived lack of transparency or poor corporate governance.

##### (ii) Currency risks

The Company invests in US dollar and non-US dollar denominated securities and the companies in which the Company invests may conduct their operations in US dollars and/or other currencies. The Company will therefore have an exposure to foreign exchange risk as a result of changes, both unfavourable and favourable, in exchange rates between the US dollar and other currencies. Foreign exchange risk may increase the volatility of the NAV per Ordinary Share. The Company does not have a policy of hedging or otherwise seeking to mitigate foreign exchange risk but reserves the right to do so from time-to-time as part of the Company's efficient portfolio management. Movements in the foreign exchange rate between US dollar, the reporting currency of the Company, and any other currency in which the Company invests and the currency applicable to a particular shareholder may have an impact upon that shareholder's returns in their own currency of account.

##### (iii) Interest rate risk

The Company is normally fully invested in quoted companies and funds but may hold interest bearing assets from time to time and whilst investing proceeds from share issues and redemptions. The Company's interest bearing assets are typically bank deposits.

##### (iv) Other price risk

#### Investor returns

Investors contemplating an investment in the Ordinary Shares should recognise that their market value can fluctuate and may not always reflect their underlying value. Returns achieved are reliant upon the performance of the companies in which the Company's assets are invested. No guarantee is given, express or implied, that shareholders will receive back the amount of their investment in the Ordinary Shares.

Due to the overall size, concentration in particular markets and maturities of positions held by the Company, the value at which its investments can be liquidated may differ, sometimes significantly, from the valuations of those investments. In addition, the timing of liquidations of investments may also affect the values obtained at liquidation. Securities held by the Company may routinely trade with bid-offer spreads that are significant.

#### (v) Management of market risks

The Investment Manager seeks to obtain diversification within the Company's portfolio. The Company has imposed a restriction so that no single position in any one company will exceed 10% of the Company's total assets at the time of the investment.

#### (vi) Quantitative analysis

The twenty largest investments are shown on page 11 and a breakdown of the pricing denominations of the investments in which the Company is invested is below.

	2019			2018		
	Cash flow interest rate risk \$'000	No interest rate risk \$'000	Total \$'000	Cash flow interest rate risk \$'000	No interest rate risk \$'000	Total \$'000
<b>Non-current investments at fair value:</b>						
US dollar	-	6,443	6,443	-	11,852	11,852
Bangladeshi Taka	-	3,330	3,330	-	5,393	5,393
Egyptian pound	-	1,823	1,823	-	1,442	1,442
Euro	-	987	987	-	-	-
GB pound	-	3,385	3,385	-	1,906	1,906
Ghanaian Cedi	-	392	392	-	1,333	1,333
Kenyan Shilling	-	2,922	2,922	-	6,463	6,463
Kuwaiti dinar	-	1,341	1,341	-	-	-
Sri Lankan Rupee	-	1,767	1,767	-	5,386	5,386
Moroccan Dirham	-	-	-	-	518	518
Nigerian Naira	-	3,861	3,861	-	6,931	6,931
Pakistani Rupee	-	3,319	3,319	-	7,049	7,049
Romanian Leu	-	2,895	2,895	-	2,715	2,715
Singapore Dollar	-	407	407	-	1,207	1,207
Thai Baht	-	791	791	-	1,314	1,314
Turkish Lira	-	566	566	-	883	883
Tanzanian Shilling	-	-	-	-	912	912
Vietnamese Dong	-	11,055	11,055	-	10,737	10,737
South African Rand	-	904	904	-	890	890
<b>Cash at bank:</b>						
Floating rate – US Dollar equivalent	1,939	-	1,939	719	-	719
Short term debtors	-	1,201	1,201	-	931	931
Short term creditors	-	(714)	(714)	-	(141)	(141)
	<b>1,939</b>	<b>46,675</b>	<b>48,614</b>	<b>719</b>	<b>67,721</b>	<b>68,440</b>

#### (vii) Sensitivity analysis

A 10% increase or decrease in the valuation of the investment portfolio at the end of June 2019 would have resulted in a \$4,619,000 (2018: \$6,693,000) corresponding increase or decrease to the Company's Statement of Comprehensive Income, all other things being equal.

	2019	2018	Change
Trade weighted US dollar Index*	90.9	90.0	+0.9
Federal Funds Target Rate	2.50%	2.00%	+0.50%
The Company's NAV per share (in US dollars)	\$0.6760	\$0.8090	-16.4%
The Company's Share Price (in GB Pounds)	£0.4810	£0.5575	-13.7%

\* The US dollar Index indicates the general international value of the US dollar. It is calculated by averaging the exchange rates between the US dollar and 7 major world currencies.

Neither the value of the US dollar nor the level of domestic interest rates within the United States of America are considered to be primary drivers of returns to investors in the Company. The returns to investors in the Company are more dependent on the prospects for economic growth, corporate profitability and socio-political developments within the countries in which the Company is ultimately invested.

## Financial Statements

# Notes to the Financial Statements continued

### Credit risk

The Company's direct credit risk is the risk of default on cash held at the bank. Cash at bank at 30 June 2019 included \$1,939,000 (2018: \$719,000) held by the Company's custodian, The Northern Trust Company. Interest is based on the prevailing money market rates.

Substantially all of the assets of the Company at the year end were held by Northern Trust (Guernsey) Limited (the 'depository') in its role providing depository services (including custody of assets). Bankruptcy or insolvency of the depository or any sub-custodian used by the depository may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Board monitored the credit quality of the depository's parent, The Northern Trust Company and at the time of this report it had a short-term deposit credit rating of A-1+ per Standard & Poor's.

Credit risk arising on transactions with brokers relates to transactions awaiting settlement. Risk relating to unsettled transactions with brokers is considered to be low as trading is almost always done on a delivery versus payment basis. Under the previous investment policy, when investments were made in open-ended funds, the Investment Manager performed due diligence on those funds before making any investment.

The Company had no interest bearing investments at 30 June 2019 (2018: \$nil).

### Liquidity risks

The Company may invest in smaller capitalisation companies. As smaller companies do not have the financial strength, diversity and resources of larger companies, they may find it more difficult to operate in periods of economic slowdown or recession. In addition, the relatively small capitalisation of such companies could make the market in their shares less liquid and, as a consequence, their share price more volatile than investments in larger companies.

The Investment Manager reports to the Directors on the liquidity of the Company's quoted investments on a regular basis.

The Investment Manager has estimated the percentages of the portfolio that could be liquidated within various timescales under normal market conditions. The results are shown below.

30 June	2019	2018
One month	87.9%	83.1%
Three months	94.4%	92.8%
One year	99.0%	99.6%
Greater than one year	100.0%	100.0%

All financial liabilities are due within one year. As at 30 June 2019, the Company's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	2019 \$'000	2018 \$'000
<b>Non-derivative financial liabilities</b>		
due within 6 months		
Trade and other payables	121	141
due within 6 to 12 months		
Trade and other payables	-	-
<b>Total</b>	<b>121</b>	<b>141</b>

### Capital management

The Company considers that its capital consists of its share capital and reserves.

The Company's authorised share capital consists of an unlimited number of Ordinary Shares of no par value. At 30 June 2019 there were 71,910,117 (2018: 84,600,108) Ordinary Shares in issue.

The Company is permitted to borrow, at the point of drawdown, up to 10% of its net assets.

The Investment Manager and the Company's broker monitor the demand for the Company's shares and the Directors review the position at Board meetings. Details on the Company's policies for issuing further shares can be found in the Directors' Report.

## 16 Ultimate controlling party

The Company has no controlling party.

## 17 Dividends paid

Dividends paid during the year ended 30 June 2019 are detailed below:

	In respect of the year ended	Date Paid	Cents per Ordinary Share	Pence equivalent per Ordinary Share	Dividend paid out the Capital reserve <sup>1</sup> , US Dollar equivalent \$'000	Dividend paid out the Revenue reserve <sup>1</sup> , US Dollar equivalent \$'000
Final dividend	30 June 2018	19 December 2018	1.0000	0.76161500	369	351
Interim dividend	30 June 2019	28 June 2019	1.0000	0.76746953	-	719
					369	1,070

<sup>1</sup> Dividends are paid in sterling

Dividends paid during the year ended 30 June 2018 are detailed below:

	In respect of the year ended	Date Paid	Cents per Ordinary Share	Pence equivalent per Ordinary Share	Dividend paid out the Capital reserve <sup>1</sup> , US Dollar equivalent \$'000	Dividend paid out the Revenue reserve <sup>1</sup> , US Dollar equivalent \$'000
Interim dividend	30 June 2017	11 August 2017	1.0000	0.76694700	855	-
Final dividend	30 June 2017	19 December 2017	1.0000	0.76183200	-	855
Interim dividend	30 June 2018	29 June 2018	1.0000	0.76694700	-	847
					855	1,702

<sup>1</sup> Dividends are paid in sterling

The Board is recommending to shareholders the payment of a final dividend for the year end of 1 cent per Ordinary Share. If approved by shareholders at the Annual General Meeting on 10 December 2019, this dividend will be paid on 18 December 2019 to those shareholders on the register on 15 November 2019. The ex-dividend date will be 14 November 2019. The final dividend will be paid in sterling and the sterling dividend rate will be announced in due course.

## 18 Subsequent events

There are no subsequent events related to the Company since the year ended 30 June 2019 and up to the date of this report.

## Corporate Information

# Alternative Performance Measures ('APMs')

### Discount

The amount, expressed as a percentage, by which the share price is less than the NAV per Ordinary Share.

		Page	As at 30 June 2019 (GB Pounds equivalent)	As at 30 June 2019 (US Dollar equivalent)
NAV per Ordinary Share	a	31	0.5325	0.6760
Ordinary Share price	b	3	0.4810	0.6106
<b>Discount</b>	<b>(b÷a)-1</b>		<b>9.7%</b>	<b>9.7%</b>

### Ongoing charges

A measure, expressed as a percentage of average NAV, of the regular, recurring annual costs of running an investment company.

Year ended 30 June 2019		Page	As at 30 June 2019 £'000
Average NAV	a	n/a	55,089
Annualised expenses	b	37	1,103
<b>Ongoing charges</b>	<b>b÷a</b>		<b>2.00%</b>

n/a = not applicable

### Premium

The amount, expressed as a percentage, by which the share price is more than the Net Asset Value per share.

There is no calculation of premium shown as the Company's Ordinary Shares were trading at a discount of 9.7% at the period end.

### Total return

A measure of performance that includes both income and capital returns. This takes into account capital gains and reinvestment of dividends paid out by the Company into its Ordinary Shares on the ex-dividend date.

Year ended 30 June 2019		Page	Ordinary Share price	NAV per Ordinary Share
Opening at 1 July 2018 (in US dollars)	a	3	0.7361	0.8090
Closing at 30 June 2019 (in US dollars)	b	3	0.6106	0.6760
Price movement (b÷a)-1	c	n/a	-17.0%	-16.4%
Dividend reinvestment	d	n/a	2.6%	2.4%
<b>Total return</b>	<b>(c+d)</b>		<b>-14.4%</b>	<b>-14.0%</b>

# Corporate Information

## Information about the Investment Manager

---

### Aberdeen Asset Managers Limited

The Investment Manager is a subsidiary of Standard Life Aberdeen plc. Assets under the management and administration of the combined investment division, Aberdeen Standard Investments, were £519bn as at 31 March 2019.

### An Asset Manager for Today's Global Opportunities

Under the Aberdeen Standard Investments brand, we are creating a pre-eminent world-class investment business, with the scale to deliver the innovation, market insight and responsiveness needed in today's competitive and fast-changing market.

### A Complete Client Focus

The investment needs of our clients drive everything we do. We look to support investors with a full range of investment opportunities and solutions, and the highest level of service and support. As a major asset manager, we have the resources to transform new investment ideas into practical investment products and the scale to deliver real value for money to investors.

### A Global Network

Our teams are networked across 50 locations worldwide – a global footprint that ensures we are always close to our clients and the challenges they face. In addition, we have built strategic relationships around the world with major banks, insurers and other investment firms to support the needs of institutional, wholesale, pension and retail investors.

### On-the-Ground Expertise

Employing over 1,000 investment professionals, we can draw upon a breadth of investment talent. Our portfolio managers are located across 24 offices, allowing us to be deeply rooted in every market in which we invest. Focus is placed on undertaking primary, internal research and consideration of the fundamentals underlying any prospective investment.

### A Highly Diversified Business

Our business is highly diversified by revenue, asset class, client and geography. This diversification provides us with the resources and resilience to thrive in a competitive and constantly changing investment and regulatory environment.

Our commitment to being a market leader in product innovation is aligned to our mission to be a provider of world-class investment solutions.

### A Leading Active Asset Manager

We retain our shared commitment to active investment management underpinned by fundamental research.

Aberdeen Standard Investments is one of the largest active managers in Europe, offering a comprehensive range of developed and emerging market equities and fixed income, multi-asset, real estate, alternatives and private markets.

### A Forward-Looking Partner

The investment landscape changes rapidly. Demand for investment solutions that focus on the specific outcomes that investors wish to achieve has also grown rapidly. Multi-asset, target return, unconstrained and enhanced diversification approaches, are some of the fastest-growing sectors of our market. Aberdeen Standard Investments can lead the way in delivering these next-generation solutions and stay relevant to the evolving needs of our clients.

# Corporate information

## The Investment Process

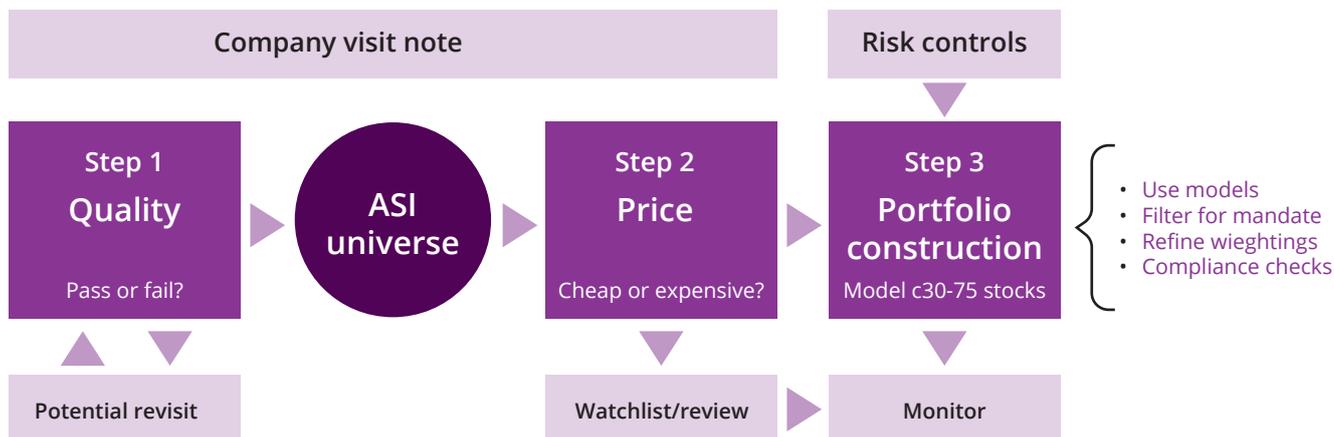
### Philosophy and style

The Manager's investment philosophy is that markets are not always efficient. We believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment. Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio during the year under review.

### Risk controls

We seek to minimise risk by our in depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

The Manager's performance and investment risk unit independently monitors portfolio positions, and reports monthly. As well as attributing performance it also produces statistical analysis, which is used by the Manager primarily to check the portfolio is behaving as expected, not as a predictive tool.



### Alternative Investment Fund Managers Directive ('AIFMD') and Pre-Investment Disclosure Document ('PIDD')

The Company has appointed Aberdeen Standard Fund Managers Limited ('ASFML') as its alternative investment fund manager ('AIFM') and Northern Trust (Guernsey) Limited as its Depository under the AIFMD.

The AIFMD requires ASFML, as the Company's AIFM, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company's PIDD which can be found on its website: [aberdeenfrontiermarkets.co.uk](http://aberdeenfrontiermarkets.co.uk).

### Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen Standard Investments has been contacted by investors informing it that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Standard Investments or for third party firms. Aberdeen Standard Investments has also been notified of emails claiming that certain investment companies under its management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen Standard Investments and any third party making such offers/claims has no link with Aberdeen Standard Investments.

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at: [fca.org.uk/consumers](http://fca.org.uk/consumers).

### Shareholder Enquiries

For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrars (see Contact Addresses). Changes of address must be notified to the Registrars in writing.

If you have any general questions about your Company, the Manager or performance, please telephone the Aberdeen Standard Investments Customer Services Department on 0808 500 4000, send an email to [inv.trusts@aberdeenstandard.com](mailto:inv.trusts@aberdeenstandard.com) or write to:

Aberdeen Standard Investment Trusts  
PO Box 11020  
Chelmsford  
Essex CM99 2DB

### Dividend Tax Allowance

The annual tax-free personal allowance for dividend income for UK investors is £2,000 for the 2019/20 tax year. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

### How to Invest

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through the Aberdeen Standard Investment Trust Share Plan, Investment Trust Individual Savings Account ('ISA') or Investment Plan for Children.

### Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments operates an Investment Trust Share Plan (the 'Plan') through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bidoffer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry, where applicable. Selling costs are £10 + VAT, where applicable. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

### Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ('ISA') through which an investment may be made of up to £20,000 in the 2019/20 tax year.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases where applicable. Selling costs are £15 + VAT, where applicable. The annual ISA administration charge is £24 + VAT, where applicable, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the ISA prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the ISA, from the sale of investments held in the ISA. Under current legislation, investments in ISAs can grow free of Capital Gains Tax.

### ISA Transfer

Investors can choose to transfer previous tax year investments to Aberdeen Standard Investments, which can be invested in the Company while retaining their ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per company of £250.

### Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments operates an Investment Plan for Children (the 'Children's Plan') which covers a number of investment companies under its management, including the Company. Anyone can invest in the Children's Plan (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per company, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry where applicable. Selling costs are £10 + VAT, where applicable. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

### Nominee Accounts and Voting Rights

All investments in the Aberdeen Standard Investments Children's Plan, Investment Trust Share Plan and Investment Trust ISA are held in nominee accounts and investors are provided with the equivalent of full voting and other rights of share ownership.

### Keeping You Informed

Further information about the Company may be found on its dedicated website: [aberdeenfrontiermarkets.co.uk](http://aberdeenfrontiermarkets.co.uk). This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager. Alternatively, please call 0800 500 0040 (Freephone) or email [inv.trusts@aberdeenstandard.com](mailto:inv.trusts@aberdeenstandard.com) or write to the address for Aberdeen Standard Investment Trusts stated above. Details are also available at: [invtrusts.co.uk](http://invtrusts.co.uk). The Company's Ordinary Share price appears under the heading 'Investment Companies' in the Financial Times.

### Key Information Document ('KID')

The KID relating to the Company and published by the Manager can be found on the Manager's website at: [invtrusts.co.uk/en/investmenttrusts/literature-library](http://invtrusts.co.uk/en/investmenttrusts/literature-library).

### Literature Request Service

For literature and application forms for Aberdeen Standard Investment's investment trust products, please visit:

[invtrusts.co.uk](http://invtrusts.co.uk):

Or contact:-

Aberdeen Standard Investment Trusts  
PO Box 11020  
Chelmsford  
Essex CM99 2DB

Telephone: 0800 500 4000

### Terms and Conditions

Terms and conditions for Aberdeen Standard Investments managed savings products can also be found under the Literature section of our website at: [invtrusts.co.uk](http://invtrusts.co.uk).

### Online Dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

### Discretionary Private Client Stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit The Personal Investment Management & Financial Advice Association at: [pimfa.co.uk](http://pimfa.co.uk).

### Financial Advisers

To find an adviser who recommends on investment companies, visit: [unbiased.co.uk](http://unbiased.co.uk).

### Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: 0800 111 6768 or  
[at fca.org.uk/firms/systems-reporting/register/search](http://fca.org.uk/firms/systems-reporting/register/search)

Email: [register@fca.org.uk](mailto:register@fca.org.uk)

---

## Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment companies purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

*The information on pages 47 to 49 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.*

## Corporate Information

# AIFMD Disclosures (unaudited)

Aberdeen Standard Fund Managers Limited ('AIFM' or 'ASFML') and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD') which may be found on the Company's website. There have been no material changes to the disclosures contained within the PIDD since its most recent update in December 2018.

The periodic disclosures as required under the AIFMD to investors are made below:

- information on the investment strategy, geographic and sector investment focus and principal stock exposures is included in the Investment Manager's Report on pages 7 to 10;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Investment Manager's Report on pages 7 to 10, note 15 to the financial statements and the PIDD, together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company's Manager, ASFML, on request and the remuneration disclosures in respect of the AIFM's relevant reporting year ended 31 December 2018 are available on the Company's website.

### Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross Method	Commitment Method
Maximum level of leverage	110%	110%
Actual level at 30 June 2019	100%	100%

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There have been no changes to the circumstances in which the Company may be required to post assets as collateral and no guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place; the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

*The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by ASFML which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.*

## Corporate Information

# Notice of Annual General Meeting

---

Notice is hereby given that the Annual General Meeting ('AGM') of Aberdeen Frontier Markets Investment Company Limited ('the Company') will be held at 11 New Street, St Peter Port, Guernsey at 11:00 a.m. on 10 December 2019, for the following purposes:

### Ordinary resolutions

1. To receive and adopt the financial statements for the year ended 30 June 2019 with the reports of the Directors and auditors thereon.
2. To approve the Directors' Remuneration Report included in the annual report for the year ended 30 June 2019.
3. To approve a final dividend of 1 cent per Ordinary Share for the year ended 30 June 2019.
4. To re-elect Lynne Duquemin as a Director of the Company, who retires by rotation.
5. To re-appoint Grant Thornton Limited as auditor to the Company.
6. To authorise the Directors to determine the remuneration of Grant Thornton Limited for the forthcoming year.
7. That the Company acting through its Board of Directors be and is hereby generally and unconditionally authorised in accordance with Section 315 of the Companies (Guernsey) Law, 2008 to make market purchases as defined in that Law of its Ordinary Shares (either for retention as treasury shares for future reissue and resale or transfer, or cancellation), PROVIDED THAT:
  - (i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 10,779,326 (subject to a maximum of 14.99% of the Company's issued share capital at the time of this AGM);
  - (ii) the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is \$0.01;
  - (iii) the maximum price to be paid per Ordinary Share shall be the higher of: (a) 105% of the average of the middle market value of the Ordinary Shares for the five business days immediately preceding the date of the relevant purchase; (b) the price of the last independent trade; and (c) the highest current independent bid on the trading venues where the purchase is carried out;
  - (iv) the authority hereby conferred shall expire at the conclusion of the AGM of the Company to be held in 2020 or, if earlier, on the date falling 18 months after the passing of this resolution; and
  - (v) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.
8. THAT the Directors be and hereby generally and unconditionally authorised pursuant to Article 4 of the Articles of Incorporation of the Company to allot and issue up to 3,595,505 Ordinary Shares of no par value each (including the issue of shares from treasury) ('Shares') or, if less, the number representing 5% of the issued Ordinary Share capital of the Company as at the date of the passing of this resolution. This authority shall expire at the conclusion of the AGM of the Company to be held in 2020 (unless renewed, varied or revoked by the Company prior to or on such date) save that the Company may before such expiry make any offer or agreement which would or might require Shares to be allotted or issued after such expiry and the Directors may allot and issue Shares in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

### Special resolution

9. THAT the Members hereby waive, with respect to any allotment and issue of Ordinary Shares pursuant to the authority granted by Resolution 8 any and all rights of pre-emption or similar rights which they may have whether under the Company's articles of incorporation (including, without limitation, Article 4.3(a)) or otherwise. This waiver will expire at the conclusion of the AGM in 2020.

## Corporate Information

# Notice of Annual General Meeting continued

---

### Notes

1. A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of him or her. A proxy need not be a member of the Company. A form of proxy accompanies this Notice. Completion and return of the form of proxy will not preclude members from attending or voting at the meeting, if they so wish. A member may appoint more than one proxy in relation to a meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by him. A member may appoint more than one proxy provided each proxy is appointed to exercise voting rights in respect of a different share or shares held by him.
2. To be valid, the form of proxy, together with the power of attorney or other authority, if any, under which it is executed (or a notarially certified copy of such power of attorney) must be deposited at the UK office of the Company's Registrar, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF not less than 48 hours before the time for holding the Meeting.
3. CREST members may utilise the CREST proxy appointment service by following the directions set out on the form of proxy. Completion and return of the form of proxy will not prevent a shareholder from subsequently attending the meeting and voting in person if he so wishes.
4. A holder of Shares must first have his or her name entered on the register of members not later than close of business 8 December 2019. Changes to entries in that register after that time shall be disregarded in determining the rights of any holders to attend and vote at such meeting.

# Corporate Information

## Form of Proxy

### Aberdeen Frontier Markets Investment Company Limited

I/We \_\_\_\_\_ of \_\_\_\_\_ (BLOCK CAPITALS PLEASE)

being (a) member(s) of Aberdeen Frontier Markets Investment Company Limited ('the Company') appoint the chairman of the meeting or (see note 1)

\_\_\_\_\_ of \_\_\_\_\_

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at 11 New Street, St Peter Port, Guernsey, on 10 December 2019 at 11:00 a.m. and at any adjournment thereof.

Please indicate with an X in the spaces provided how you wish your votes to be cast on the resolutions specified.

Resolution	For	Against	Withheld
<b>Ordinary resolutions</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
1. To receive and adopt the financial statements for the year ended 30 June 2019, with the reports of the Directors and auditors thereon.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. To approve the Directors' Remuneration Report for the year ended 30 June 2019.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To approve a final dividend of 1 cent per Ordinary Share for the year ended 30 June 2019.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Lynne Duquemin as a Director.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. To re-appoint Grant Thornton Limited as auditors to the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. To authorise the Directors to determine the remuneration of Grant Thornton Limited for the forthcoming year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. To renew authority for the Company to purchase its own shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. To give the Company the authority to allot new shares.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. To waive Members' rights of pre-emption or similar rights which they may have under the Company's articles of incorporation or otherwise.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Subject to any voting instructions so given the proxy will vote, or may abstain from voting, on any resolution as he may think fit.

Signature \_\_\_\_\_ Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

### Notes

- If you so desire you may delete the words 'chairman of the meeting' and insert the name of your own choice of proxy, who need not be a member of the Company. Please initial such alteration.
- The proxy form must be lodged at the Company's registrars, Link Asset Services, not less than 48 hours before the time fixed for the meeting. In default the proxy cannot be treated as valid.
- Alternatively, in the case of CREST members, voting may be effected by using the CREST electronic proxy appointment service. CREST members who wish to utilise the CREST service may do so by following the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message must be transmitted so as to be received by the Company's agent, Link Asset Services (whose CREST ID is RA10) by the specified latest time for receipt of proxy appointments. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed.
- A corporation must execute the proxy under its common seal or under the hand of an officer or attorney duly authorised.
- If this proxy form is executed under a power of attorney or other authority, such power of attorney or other authority or a notorially certified copy thereof must be lodged with the Registrars with the proxy form.
- In the case of joint holders the vote of the senior shall be accepted to the exclusion of the other joint holders, seniority being determined by the order in which the names stand in the register in respect of the joint holding.

Your completed and signed proxy form should be posted, in the enclosed reply paid envelope, to the Company's Registrars, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, BR3 4ZF, so as to arrive before 11:00 a.m. on 8 December 2019 (48 hours prior to the AGM).

# Corporate Information

## Glossary of Terms and Definitions

---

<b>AAML or Investment Manager</b>	Aberdeen Asset Managers Limited is a wholly owned subsidiary within the Aberdeen Group and acts as the Company's investment manager. It is authorised and regulated by the Financial Conduct Authority
<b>ASFML or AIFM or Manager</b>	Aberdeen Standard Fund Managers Limited ('ASFML') is a wholly owned subsidiary of Aberdeen Asset Management PLC, which is part of Standard Life Aberdeen plc, and acts as the alternative investment fund manager ('AIFM') for the Company. ASFML is authorised and regulated by the Financial Conduct Authority
<b>Aberdeen or Aberdeen Group or the Group</b>	Aberdeen Asset Management PLC group of companies which are subsidiaries of Standard Life Aberdeen plc
<b>Aberdeen Standard Investments</b>	The brand name representative of the asset management division of Standard Life Aberdeen plc, the global investment company formed as a result of the merger between Aberdeen Asset Management PLC and Standard Life plc
<b>AIC</b>	The Association of Investment Companies
<b>Alternative Investment Fund or "AIF"</b>	An investment vehicle under AIFMD. Under AIFMD (see below) the Company is classified as an AIF.
<b>Alternative Investment Fund Managers Directive or "AIFMD"</b>	A European Union directive which came into force on 22 July 2013 and has been implemented in the UK.
<b>Annual General Meeting or "AGM"</b>	A meeting held once a year which shareholders can attend and where they can vote on resolutions to be put forward at the meeting and ask Directors questions about the company in which they are invested.
<b>Custodian</b>	An entity that is appointed to safeguard a company's assets.
<b>Depository</b>	Certain AIFs must appoint depositories under the requirements of AIFMD. A depository's duties include, inter alia, safekeeping of the Company's assets and cash monitoring.
<b>Dividend</b>	Income receivable from an investment in shares.
<b>Ex-dividend date</b>	The date from which you are not entitled to receive a dividend which has been declared and is due to be paid to shareholders.
<b>Financial Conduct Authority or "FCA"</b>	The independent body that regulates the financial services industry in the UK.
<b>Gearing</b>	A way to magnify income and capital returns, but which can also magnify losses. A bank loan is a common method of gearing.
<b>Index</b>	A basket of stocks which is considered to replicate a particular stock market or sector.
<b>Investment company</b>	A company formed to invest in a diversified portfolio of assets.
<b>Leverage</b>	An alternative word for "Gearing".  Under AIFMD, leverage is any method by which the exposure of an AIF is increased through borrowing of cash or securities or leverage embedded in derivative positions.  Under AIFMD, leverage is broadly similar to gearing, but is expressed as a ratio between the assets (excluding borrowings) and the net assets (after taking account of borrowing). Under the gross method, exposure represents the sum of the Company's positions after deduction of cash balances, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and after certain hedging and netting positions are offset against each other.
<b>Liquidity</b>	The extent to which investments can be sold at short notice.
<b>Net assets</b>	An investment company's assets less its liabilities
<b>Net asset value ("NAV") per Ordinary Share</b>	Net assets divided by the number of Ordinary Shares in issue (excluding any shares held in treasury)
<b>Ordinary Shares</b>	The Company's Ordinary Shares of no par value in issue.
<b>Portfolio</b>	A collection of different investments held in order to deliver returns to shareholders and to spread risk.
<b>Share buyback</b>	A purchase of a company's own shares. Shares can either be bought back for cancellation or held in treasury.
<b>Share price</b>	The price of a share as determined by a relevant stock market.
<b>Tracking error</b>	A measure, expressed as a percentage, of how closely a portfolio follows an index over a period of time.
<b>Treasury shares</b>	A company's own shares which are available to be sold by a company to raise funds.
<b>Value at risk</b>	A statistical technique used to measure and quantify the level of financial risk within a portfolio over a specific time frame.
<b>Volatility</b>	A measure of how much a share moves up and down in price over a period of time.

# Corporate Information

## Directors, Manager and Advisers

---

### Directors

John Whittle (Chairman)  
Lynne Duquemin  
David Warr

### Company Secretary and Administrator

Vistra Fund Services (Guernsey) Limited  
11 New Street  
St Peter Port  
Guernsey GY1 2PF

### Nominated Adviser

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2P 2YU

### Broker

Numis Securities Limited  
The London Stock Exchange Building  
10 Paternoster Square  
London EC4M 7LT

### Auditor

Grant Thornton Limited  
Lefebvre House  
Lefebvre Street  
St Peter Port  
Guernsey GY1 3TF

### Registrar

Link Market Services Limited  
Mont Crevelt House  
Bulwer Avenue  
St Sampson  
Guernsey GY2 4LH

### Registered Office

11 New Street  
St Peter Port  
Guernsey GY1 2PF

### Company Registration Number

Incorporated in Guernsey Number 46809

### Website

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

### Alternative Investment Fund Manager

Aberdeen Standard Fund Managers Limited  
Bow Bells House  
1 Bread Street  
London EC4M 9HH  
[www.aberdeenstandard.com](http://www.aberdeenstandard.com)

### Investment Manager

Aberdeen Asset Managers Limited  
Bow Bells House  
1 Bread Street  
London EC4M 9HH

### UK Administration Agent

PraxisIFM Fund Services (UK) Limited  
3rd Floor, Mermaid House  
2 Puddle Dock  
London EC4V 3DB

### Solicitors as to English law

Gowling WLG  
4 More London Riverside  
London SE1 2AU

### Advisers as to Guernsey law

Mourant  
Royal Chambers  
St Julian's Avenue  
St Peter Port  
Guernsey GY1 4HP

### Depositary Services and Custodian

Northern Trust (Guernsey) Limited  
Trafalgar Court  
Les Banques  
St Peter Port  
Guernsey GY1 3DA

### United States Internal Revenue Service FATCA Registration Number ('GIIN')

35VBTN.99999.SL.831

### Legal Entity Identifier ('LEI')

213800X9N73114IPK361



Visit us online  
[aberdeenstandard.com](http://aberdeenstandard.com)