

# Aberdeen Emerging Markets Investment Company Limited

Investment Company

Performance Data and Analytics to 31 March 2019

## Investment objective

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

## Benchmark

MSCI Emerging Markets Net Total Return Index in sterling terms.

## Cumulative performance (%)

	as at 31/03/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	558.0p	1.5	8.8	4.0	(3.9)	44.1	47.0
NAV <sup>A</sup>	651.0p	2.4	8.6	2.6	(2.5)	43.8	50.7
MSCI Emerging Markets		2.9	7.4	1.8	(0.3)	49.6	53.3

## Discrete performance (%)

Year ending	31/03/19	31/03/18	31/03/17	31/03/16	31/03/15
Share Price	(3.9)	13.9	31.7	(8.4)	11.4
NAV <sup>A</sup>	(2.5)	10.1	33.9	(6.5)	12.1
MSCI Emerging Markets	(0.3)	11.4	34.7	(9.1)	12.8

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

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

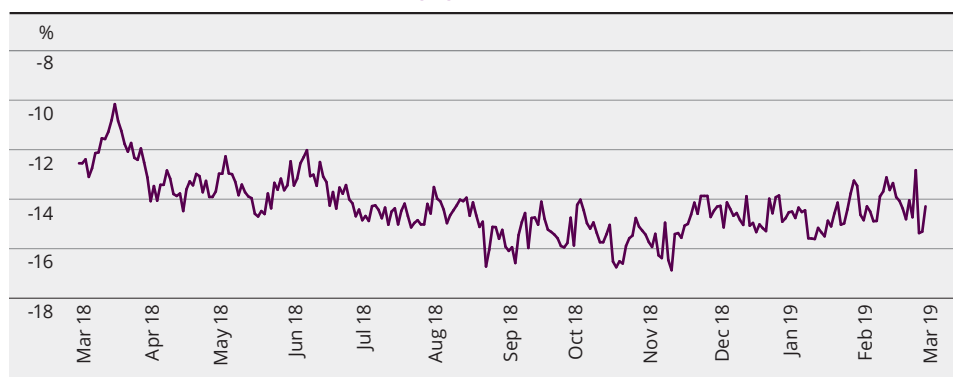
ANAV Performance is adjusted for impact of subscription shares.

BComposite - S&P IFCI GEM PR from inception until 31 Oct 2011 then MSCI EM NTR

Source: Aberdeen Asset Managers Limited, Lipper and Morningstar.

Past performance is not a guide to future results.

## 1 Year Premium/Discount Chart (%)



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

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## Morningstar Rating<sup>TM</sup>



<sup>B</sup> Morningstar Rating<sup>TM</sup> for Funds

Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

## Ten largest holdings (%)

Neuberger Berman - China Equity Fund	9.7
Schroder Taiwan Equity Fund	7.7
Schroder AsiaPacific Fund	7.3
Brown Advisory Latin American Fund	6.6
Fidelity China Special Situations	6.4
Weiss Korea Opportunity Fund	6.3
Avaron Emerging Europe Fund	4.8
DGC QIC Equity Fund	4.2
Genesis Emerging Markets	4.1
JP Morgan Emerging IT	3.8
<b>TOTAL</b>	<b>60.9</b>

## Asset allocation (%)

	Fund	Benchmark
<b>Asia</b>	<b>67.0</b>	<b>74.4</b>
China	30.4	33.0
Korea	11.6	13.0
Taiwan	10.8	11.3
India	5.3	9.2
Thailand	3.1	2.3
Indonesia	3.0	2.2
Singapore	1.2	-
Philippines	0.5	1.1
Vietnam	0.4	-
Malaysia	0.3	2.2
Other	0.4	-
<b>EMEA</b>	<b>23.1</b>	<b>13.8</b>
UAE	0.6	0.7
Russia	6.4	3.8
Romania	3.0	-
Saudi Arabia	2.6	-
Turkey	2.0	0.5
Egypt	1.2	0.1
Poland	1.1	1.1
South Africa	1.0	5.9
Kenya	0.6	-
Czech Rep	0.4	0.2
Qatar	0.2	0.9
Hungary	0.1	0.3
Greece	0.0	0.2
Other	3.8	-
<b>Latin America</b>	<b>13.7</b>	<b>11.8</b>
Brazil	7.0	7.2
Colombia	2.0	0.5
Mexico	1.6	2.7
Peru	1.3	0.4
Other	1.3	-
Chile	0.6	1.0
Non-specified	0.4	-
Cash in underlying	3.7	-
Portfolio Cash	(7.9)	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

All sources (unless indicated):

Aberdeen Asset Managers Limited 31 March 2019.

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# Aberdeen Emerging Markets Investment Company Limited

## Investment Company

Performance Data and Analytics to 31 March 2019

### Fund managers' report

#### Market review

Emerging markets gained 2.9% in March. Within Asia, India and China had a strong month gaining 11.1% and 4.2% respectively, with the former benefiting from an increasing expectation that the incumbent BJP government would be returned to power in the upcoming elections and the latter gaining after the government announced further stimulus plans.

In Europe, Turkish equities fell 13.5% as a result of renewed volatility in the lira in the build up to local elections, at which the ruling AKP performed poorly. Latin America was dragged down by sub-par performances in Chile (-2.8%) and Brazil (-2.2%) with the Chilean Peso falling 3.7% against the US dollar and the arrest of former Brazilian President Michel Temer on corruption charges exacerbating concerns about the progress of pension reforms.

#### Performance commentary

Aberdeen Emerging Markets Investment Company's net asset value total return was 2.4% in March, trailing the benchmark index by 0.5%. Asset allocation was the most significant detractor during the period, with the Company's underweight position in India and overweight exposure to Turkey both contributing negatively.

The Company's share price total return was 1.5% during the period as the discount to NAV at which shares trade widened from 13.5% to 14.3%.

#### Portfolio activity

Having become more constructive on the outlook for the Indian market, we added to an existing position in JP Morgan Indian Investment Trust at an average discount of 11.6%. The trust benefits from a highly experienced team with a strong investment process and will potentially offer a partial return of capital in the final quarter of 2019. We also initiated a position in a Colombian ETF on asset allocation grounds. These purchases were funded from available cash resources and sales of a global emerging markets exchange traded fund.

#### Outlook

We are encouraged by the strong performance of emerging markets in the first quarter, not least because we believe the underlying drivers of that performance have the potential to remain supportive. Firstly, we believe a compromise and de-escalation in US-China trade tensions is more likely than a "ramping up". Secondly, the more dovish tone of the US Federal Reserve bodes well for emerging markets as it should, if nothing else, limit the extent of US dollar strength in the medium term. Thirdly, despite the recovery in markets, investor sentiment remains extremely cautious and the signs of over-exuberance that typically signal a cycle-end are starkly absent in emerging markets.

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

#### Important information overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 October 2018. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

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

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

Total number of investments	34
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#### Fund risk statistics

	5 Years
Return (Fund) p.a. as at 31/10/2018	8.55
Return (Benchmark) p.a. as at 31/10/2018	8.92
Annualised Tracking Error	3.72
Alpha	0.03
Beta	0.88
Correlation	0.97

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

#### Key information

##### Calendar

Year end	October
Accounts published	January
Annual General Meeting	April
Dividend paid	Quarterly
Launch date	21 Jun 1998 (redomiciled on 6 Nov 2009)

Fund manager	Andrew Lister and Bernard Moody
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Annual management fee	0.8% of NAV
Ongoing charges <sup>c</sup>	1.02%
Net assets	£299.7m
Premium/(Discount)	(14.3)%
Yield <sup>d</sup>	3.8%
Net Gearing <sup>e</sup>	7.9%

#### AIFMD Leverage Limits

Gross Notional	1.15x
Commitment	1.15x

#### Capital structure

Ordinary shares	46,036,058
Treasury shares	8,582,449

#### Trading details

Reuters/Epic/ Bloomberg code	AEMC
ISIN code	GG00B45L2K95
Sedol code	B45L2K9
Stockbroker	Stockdale Securities

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## Important information

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

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

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- Emerging markets or less developed countries may face more political, economic or structural challenges than developed countries. This may mean your money is at greater risk.
- Investing globally can bring additional returns and diversify risk. However, currency exchange rate fluctuations may have a positive or negative impact on the value of your investment.
- The Sub-fund can use derivatives in order to meet its investment objectives or to protect from price and currency movements. This may result in gains or losses that are greater than the original amount invested.
- This Fund may invest through non-regulated markets which are subject to increased risk relating to ownership and custody of investments.
- This Fund invests into other funds which themselves invest in assets such as bonds, company shares, cash and currencies. The objectives and risk profiles of these underlying funds may not be fully in line with those of this Fund.

### Other important information:

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

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