

January 2019

Aberdeen Standard Asian Opportunities Fund

Asia - Investing in a global powerhouse



01 Asia – Fundamentally attractive

- Asian economies and companies have improved markedly in the past two decades and many now exhibit far stronger fundamentals.
- Asia came through the GFC in relatively good shape and its strong economic rebound has helped cushion the rest of the world from a more severe economic downturn.
- Asian economies are mostly prospering, whereas many western countries remain heavily indebted.
- Asian companies, in general, have lower levels of debt and high cash balances, enabling them to continue investing in their businesses even during slower periods of economic activity.
- Asia's long-term growth potential is compelling, as it transitions from dependency on exports to developed nations to domestic consumption-led growth. This is being driven by a rapidly expanding middle class in many Asian nations.

02 Growth is moderating but remains solid

In 2012, Asia accounted for 29% of global GDP. This is projected to grow to **49% by 2050**¹.



Altogether, developing Asian countries are projected to grow by **6.3% in 2019**, ahead of the global economy's 3.57%².

¹Source: World Bank January 2015, IMF World Economic Outlook October 2015

²Source: IMF, World Economic Outlook, January 2019

03 Asia's consumer boom

Asia will host **over 60%** of the world's middle class population by 2030 and account for over half of global middle class spending.



Source: Kharas, Homi (2010), "The Emerging Middle Class in Developing Countries", OECD Publishing

Asean represents a huge domestic market with rising middle class wealth. The number of households with an income of between US\$20,000 and US\$70,000 (in 2005 purchasing power parity terms) is projected to double to **23 million by 2025**.



Source: McKinsey Global Institute Cityscope database; McKinsey Global Institute analysis, May 2014

04 What to look for in an Asian equities fund

- Although these macro themes can underpin a portfolio, ultimately it's stocks that drive returns. Choosing the right companies is paramount.
- To invest successfully in Asia it is vital to know the companies inside out. Being based in the region provides direct access to company management, to help thoroughly understand the companies.
- A large, experienced team can bring strong knowledge of investing in these markets. Experience is invaluable.
- Investments can be made in established markets, such as Hong Kong and Singapore, with higher reporting standards, good corporate governance, solid accounting practices and quality management. This helps mitigate some of the risk associated with investing in Asia.

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05 Why Aberdeen Standard Investments for Asian Equities?



Aberdeen Standard Investments has been investing in Asia for over 25 years; across varying market conditions and stages of the economic cycle.



Our team approach means investment decisions are made collectively – we don't believe in star managers.



A network of regional offices means our Asia investment professionals have local knowledge and easy access to company management.



We are long-term investors and we aim to know each and every company inside out.

06 Fund features

Fund name	Aberdeen Standard Asian Opportunities Fund
ARSN	106 201 236
APIR	EQI0028AU
ASX mFund code	AFZ01
Management costs comprising:	1.2311% pa of the net asset value of the Fund
- Management fee	1.1811% pa
- Indirect costs	0.05% pa
Buy/sell spread	+0.25%/-0.25%
Distribution frequency	Yearly (30 June)
Benchmark	MSCI AC Asia Acc Index (ex Japan) AUD unhedged
Min. suggested time frame	3 - 5 years or more
Mix of asset classes ¹	90-100% Asian equity securities (other than the Japan market) 0-10% Cash The Fund is generally fully invested in Asian equity securities

¹These are indicative asset allocation ranges for the Fund. If market movements, investments into or withdrawals from the Fund, or changes in the nature of an investment, cause the Fund to move outside these indicative ranges, or a limit set out in this PDS, this will be addressed by us as soon as reasonably practicable.

For more information please call our Client Services Team on 1800 636 888 or visit our website at www.aberdeenstandard.com.au

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